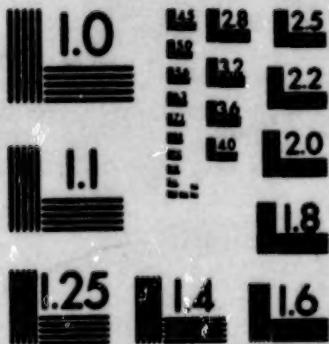
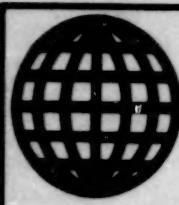


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PEOPLE'S REPUBLIC OF KAMPUCHEA

Radio Reports KPRAF Combat Success in Past Week

*BK1811021288 Phnom Penh Domestic Service
in Cambodian 1200 GMT 17 Nov 88*

[Excerpts] [Passage omitted] During the past week, our Armed Forces valiantly launched sweep operations against the bandits. We put out of action 158 bandits,

including 56 killed on the spot, 11 captured and 96 others who surrendered. We seized 72 assorted weapons, 75 mines, 6 field radios, and 14 boats; and destroyed 60 temporary shelters of the enemy and a rice depot. [passage omitted]

Also during the past week, our authorities and people throughout the country received 96 returnees who brought along 83 assorted weapons. [passage omitted]

Agriculture Role To Drop; Traders Run Stores
42060004a Vientiane PASASON in Lao
30 Aug 88 pp 1, 4

[Editorial: "Business Organization and Operation of State Enterprise Must Be Improved To Promote Effective Control of State Agriculture"]

[Excerpts] [Passage omitted] The organization and operation of State Enterprise must be improved in order for the state to effectively control agriculture. Plenum 6 states the direction for improvement in land contracts for workers' families and farmers to engage in planting and raising animals based on contract agreements. Economic organizations must start to take the roles stated in production and dual service to families and to contracting. Only some economic management cadres and technical cadres and some technical workers will receive salaries directly from the government.

In the area of forestry two levels of business companies must be established, the central and the provincial levels, which are assigned tasks for comprehensive forestry business based on the general plan of assigning land and forest for the people to plant and to preserve, as well as to guarantee dual service for farmers and to organize tree-felling according to a plan.

It is clear that when there is production, there must be distribution and circulation. State economic organizations in the area of distribution, such as trade, banking, and communications, transportation and posts, must focus on rural areas. They must place emphasis on each group in the districts in order to have direct economic involvement with each village and to carry out the dual-purpose service for farmers. For this to be done effectively, the state trade system must be accelerated to change to business accountability, to take a role in retail and wholesale, transfer state retail stores to trade co-ops, make use of private merchants as retail sales agents for state trade that engages in wholesale activity, and circulate goods for the trade co-ops. The trade co-ops run retail sales and purchase goods from farmers in order to sell them to State trade. [passage omitted]

It is important for the banking system to extend its credit network throughout the rural areas, along with giving advice regarding credit for different co-ops in villages, taking on the role of agricultural bank, and providing loans and advance principal. This is to attract financial resources to rural areas to encourage widespread production.

The revolution is the duty of the masses. National construction needs the financing and wisdom of the masses. Thus, state economic organizations must make every effort to attract the private sector and individuals to engage in joint business partnerships and to become state trade representatives, such as giving them the right to trade in order to strengthen the state and co-op economy, to guarantee the circulation of goods from the

districts to villages in the rural areas, and to provide dual services to farmers. "The party is the organizer and leader in all the victories of the Lao revolution. This is the theory and practice of the revolution in our country." The party leads, the state administers, and the masses are the owners. These are the principles of our party. Thus, in order to construct our nation on the socialist path we must involve the party's effective role in leadership and state guidance. With regard to this problem, Plenum No 6 states that "in order to promote leadership roles for the party and the effectiveness of state management of agriculture, the guidance and apparatus for limiting and managing agriculture must be improved. This apparatus consists of three systems: state economic administrative management of agriculture, business, forestry and the agricultural production organization system; technical science research and management cadres; and training technical cadres in agriculture. These organizational systems must be implemented in the proper direction to effectively lessen the central apparatus and place it at lower levels, such as the district and grassroots level." This direction is consistent with the actual situation in our country, because the district is closest to the grassroots and it is where the agricultural battle ground is located. Meanwhile, special attention must be paid to the construction of the village level and to involving districts with villages, along with placing cadres in the agricultural battle ground. First of all, emphasis must be placed on districts as focal points.

One problem that Plenum No 6 has emphasized regarding the leadership role of the party and in promoting the effectiveness of the state in agricultural management is the improvement of work techniques in guidance and agricultural management. Most of all, leadership must be appropriate to the needs of agriculture in changing to the production of goods, must consult with the masses and the grassroots on policies, improve work that is slow and be content with whatever can be done, promote an attitude of promptness and diligence, employ business accountability and the economic lever in production to replace work techniques that emphasize only order and mobilization, and coordinate the benefits and obligations of all those in every economic activity to mobilize the mass movement in agricultural production.

Bolikhamsai Banking Operations
42060004b Vientiane PASASON in Lao 30 Aug 88 p 1

[Article: "New Procedure for Customers of Bolikhamsai Provincial Branch of State Bank"]

[Text] Since the end of July the Bolikhamsai provincial branch of the State Bank has been using a new and more efficient procedure for savings deposits. What they have done is organized a number of cadres to accept savings deposits from merchants in the markets. From the starting date on 22 July to 10 August the bank has accepted 110,600 kip of savings deposits where 31 people have become regular depositors. This is more than double the amount received in deposits for the same period last

year. By accepting deposits in this way the bank has made it more convenient for merchants who have a limited amount of time to make deposits.

In the first 6 months of this year deposits throughout Bolikhamxai Province were 2,540,400 kip, which is more than 100,000 kip over the amount for 1987.

Also, since the beginning of the year the Bolikhamxai provincial branch of the State Bank has provided credit to various enterprises and co-ops, allowing them to borrow 344,360,000 kip. At the same time it has collected 348,473,000 kip as payments for old debts. The bank is expected to continue to provide credit to local farmers so they can invest in agricultural production in order to produce goods based on the new ideology.

Dollar-Denominated Fuel Prices, Danang Operations Noted

42060004d Vientiane PASASON in Lao 20 Aug 88 p 4

[Announcement Circular of the Lao Fuel Oil Firm on Price Changes in Danang, Phin District, Savannakhet and Vientiane Capital]

[Text] To ministries, organizations, departments, projects and various business production units around the center, fuel oil enterprises in all provinces and in Vientiane Capital, the circulation unit for fuel oil in the southern region, and business partners in all regions.

Subject: Changes in fuel oil prices in four locations, Danang, Phin District, Savannakhet and Vientiane Capital.

According to Plenums 9 and 14/LPDR on 12 March 1988 of the Council of Ministers, based on the prices that appear in the market nowadays, and to ensure business operation according to the economic accountability mechanism where income earned covers expenses and leaves a reasonable profit, the Lao fuel oil company will begin wholesale operations in four new locations, Danang, Phin District, Savannakhet and Vientiane Capital.

1. Details for the changes in each type of fuel for each location are shown in the table at the end of this announcement. Prices for types of gasoline in other locations not mentioned in the table will be the same according to circular No 348/LFC-88 on 22 March 1988.

2. There are no changes regarding increases or decreases in money or materials on the order forms that have already been issued.

This circular will be effective on the signature date until modifications are made.

We hereby notify all and hope to have cooperation from all work sections. Vientiane 16 August 1988, company director, Loui Sisoulat.

Table for New Price Changes for Certain Fuels in Several Locations. Units are in liters.

Transfer Location and Original Source	Fuel Type	Price in Kip		Price in Dollars	
		Wholesale	Retail	Wholesale	Retail
I. Vientiane Capital					
A. Capitalist Fuel	Premium Gas	109.00	125.00	0.2628	0.30
	Regular Gas	90.00	110.00	0.21771	0.26
	Lubrication Oil	89.00	108.00	0.21599	0.25
	Aviation Fuel	100.00	115.00	0.24298	0.27
B. Socialist Fuel	A-92 Gas	103.80	120.00	0.27070	0.29
	A-76 Gas	93.96	110.00	0.24514	0.27
	Lubrication Oil	92.66	108.00	0.24176	0.26
	[Translation Unknown]	90.32	103.00	0.23568	0.25
	Acetylene	92.71	105.00	0.24190	0.26
	Aviation Fuel	92.50	105.00	0.24142	0.26
II. Savannakhet					
A. Capitalist Fuel	Regular Gas	94.22	110.00	0.22934	0.27
	Lubrication Oil	92.80	108.00	0.22839	0.26
	Aviation Fuel	102.25	115.00	0.25459	0.28
B. Socialist Fuel	A-92 gas	93.76	110.00	0.24376	0.27
	A-76 Gas	83.92	100.00	0.2182	0.25
	Lubrication Oil	82.62	98.00	0.21482	0.24
	[Translation Unknown]	80.28	93.00	0.20874	0.23
	Acetylene	82.67	95.00	0.21070	0.24

Transfer Location and Original Source	Fuel Type	Price in Kip		Price in Dollars	
		Wholesale	Retail	Wholesale	Retail
	Aviation Fuel	95.000	2.46	0.21450	0.24
III. Phin District					
A. Socialist Fuel	A-92 Gas	105.000	6.68	0.23354	0.25
	A-76 Gas	98.000	2.20	0.20795	0.23
	Lubrication Oil	92.000	5.54	0.20460	0.22
	[Translation Unknown]	90.000	2.20	0.19852	0.21
	Acetylene	92.000	5.59	0.20048	0.22
	Aviation Fuel	94.000	3.38	0.20428	0.22
IV. Danang					
A. Socialist Fuel	A-92 Gas	92.000	8.80	0.20491	0.23
	A-76 Gas	85.000	3.32	0.17935	0.21
	Lubrication Oil	82.000	7.66	0.17597	0.20
	[Translation Unknown]	78.000	3.31	0.16989	0.19
	Acetylene	82.000	7.71	0.17185	0.20
	Aviation Fuel	82.000	5.50	0.17565	0.20

Vientiane, 17 August 1988

Loui Sisoulat

Company Director

PRC's Tianjin Interested in Importing Products Directly
42050005a Selangor SIN CHEW JIT POH in Chinese
24 Sep 88 p 1

[Excerpts] The visiting Tianjin trade delegation plans to buy Malaysian rubber, palm oil, timber and paper pulp, so if the transaction is successful, it will be Tianjin Municipality's first direct import of timber and paper pulp from Malaysia.

Thus said Hu Jinling, leader of the Tianjin Trade Delegation, today after paying a courtesy call on Deputy Trade and Industry Minister Datuk Kok Wee Kiat. Mr Hu added that Tianjin has always bought Malaysian rubber and palm oil directly but imported timber from other countries.

He pointed out that Tianjin Municipality badly needs lumber processed commodities, such as household furniture and that the quality of Malaysian hardwood is high enough to fulfill the municipality's needs.

Mr Hu said that generally speaking the palm oil imported from Malaysia is edible, but now China is considering importing palm oil to produce soap.

Hu Jinling divulged that Tianjin exports \$1.5 billion worth of goods every year, but the commodities exported to Malaysia amount to \$15 million only, or 1 percent of the total.

He expressed hope that in the wake of the signing of the trade agreement between Malaysia and the PRC as well as the solution of mutual tariff problems, both countries will strengthen the bilateral contacts and investment, as well as their overall relations. [passage omitted]

Hu Jinling is Tianjin Municipality Bureau of Foreign Trade's deputy director, while the 11 members of his delegation are made up of responsible officials of major companies there. [passage omitted]

Investment Protection Agreement With PRC Welcome
42050005d Selangor SIN CHEW JIT POH in Chinese
26 Sep 88 p 23

[Editorial: "Malaysia and China To Sign Agreement for Investment Protection"]

[Text] Following the separate signings in September last year and April this year of a shipping agreement and a trade agreement between Malaysia and the PRC, Liang Bihua, trade counselor of the PRC Embassy, has disclosed that both countries will sign an agreement to protect investment in November this year, so that business firms will enjoy legal safeguards in each other's country. Indications show that the signing of the said agreement will not only benefit the development of

normalized relations between the two countries, but also reflect the leaders' willingness to improve the bilateral trade relations on the basis of reciprocity and mutual benefit.

Most recently, certain officials of our government, eager to attract large amounts of Taiwan capital into our country, paid a visit to Taiwan, a move which led PRC's Ministry of Foreign Affairs to remark that such visitation violates the spirit of Malaysia-China bilateral relations and even to hint that tension would arise out of it. However, after a clarification by our Foreign Office to the effect that Malaysia recognizes only a "one China" policy, and an explanation by Prime Minister Datuk Sri Dr Mahathir saying that Malaysia was merely trying to attract Taiwan capital but not to recognize the Taiwan government, the misunderstanding has been clarified and dispelled by both countries.

As a matter of fact, the relationship between Malaysia and the PRC is continuously progressing nicely, as evidenced by visits of trade delegations by both sides and relaxation of regulations, such as permitting local businessmen to extend the duration of their visitation to China from six months to one year. At the same time, the government has relaxed the time limit of PRC businessmen's stay in Malaysia, allowing them to remain for a period of 12 months, instead of being restricted to six months as was in the past. In addition, last May the Malaysian Airline System and the Civil Aviation Administration of China signed a memorandum of understanding for negotiations, and it is expected that a once-a-month airplane charter service between Kuala Lumpur and Guangzhou will be launched within this year.

The AP (Approved Permit) system, which was generally described as a discrimination against Chinese goods, was officially abolished by our government in March this year. Before this, businessmen who wished to import commodities from the PRC must first apply for a permit through a state-operated company and this company received a 0.5 percent commission from the importers, a troublesome and time-consuming procedure. This system was opposed by importers in this country. Now this AP system is abolished, and this has directly spurred on the trade between the two countries. As far as we know, the Chinese side was so elated by this abolition of the AP system that it reciprocated by offering a reduction in customs duty for Malaysian goods exported to the PRC. At the present time, our products exported to China include rubber, palm oil, timber, plywood and other finished goods.

As early as one year ago, our business firms actually already understood the necessity for carrying out trade and technical cooperation with the PRC. At the same time, two business organizations, namely, the Malaysian Federation of Companies and the Chinese International Trade Promotion Committee, Guangdong Chapter, signed an Economic Cooperation Agreement in August last year, by which both sides agree to foster mutual

understanding and strengthen economic cooperation, to maintain normal contacts and help business firms of each other's country in participation of exhibitions and trade negotiations. Most recently, 11 Chinese business firms took an active part in the 1988 International Trade Show organized by the Malaysian Federation of Manufacturing Companies. During the short period of two weeks, the exhibition engendered business transactions exceeding more than U.S. \$20 million in value.

In addition, since the establishment of diplomatic ties between the two countries 14 years ago, the first Chinese business firm operating in our country approved by our government has formally opened its business. This company, called Yuhualong Trading Company, Ltd. is established in Kuala Lumpur and operated by the China Chemical Industry Import and Export Corporation. It deals in transshipment trade, import-export, investment, joint ventures, etc. This is a new milestone in the development of direct trade between Malaysia and the PRC.

It is expected that the investment protection agreement to be signed in November will definitely safeguard the vital interests of investors of both countries. Among its contents are clauses stipulating that should an investment company be taken over by the state of the other country, it will get a necessary compensation in accordance with the law. This agreement will provide business firms and investors with more safeguards, and it appears that this will give an impetus to investors of both countries. In the past, China has signed investment protection agreements with 19 foreign countries and avoidance of double taxation agreements with 19 other countries.

In reality, local businessmen still harbor doubts about the latent Chinese market, especially whether the benefits arising out of investment in China can be amply guaranteed or not. This is a psychological obstacle which cannot yet be relegated, and that is why only a few of our businessmen have invested their capital in China so far. At present, the PRC is pursuing an open economic policy, and it can be predicted that if the Malaysia-China Investment Protection Agreement can be concluded as planned, it will definitely be like opening a new page for the economic and trade cooperation between the two countries. In the long run, this agreement will narrow the current trade gap to the point of equilibrium and enable investors to have more confidence and sense of security.

Taiwan Delegation: Country Ideal for Investment
42050005b Selangor SIN CHEW JIT POH in Chinese
24 Sep 88 p 4

[Text] Hsu Lao-yu, leader of the Taiwan Trade and Industrial Observation Group, believes that Malaysia is the most ideal country within Southeast Asia for investment.

He believes that Malaysia has quite clear-cut and correct legislation to safeguard foreign investors.

He made the above remarks after leading his 13-member delegation to pay a courtesy call on Penang Chief Minister Dr Lim Chong Eu at the Penang Development Institute yesterday.

The Taiwan delegation came to Malaysia to take a close look at Penang's industrial district and to hold talks with the Penang Chinese Chamber of Commerce, at the invitation of Malaysia's trade and industry minister who recently visited Taiwan. The visitors want to have a first-hand observation of Malaysia's investment conditions.

The Malaysian government has invited Taiwan's business firms to invest in petrochemical and electronics industries in Malaysia.

Mr Hsu's delegation believes that Malaysia is an ideal spot for investment, because the country has ample natural and human resources, in addition to good harbor and transportation network facilities.

Country Seen As Base for Investments in Asia
42130011b Kuala Lumpur BERITA HARIAN in Malay
21 Sep 88 p 1

[By Ahmad Nazri Abdullah]

[Text] Cologne, 20 September—Malaysia is an appropriate base for Western investors entering the Pacific area, said Dr Mahathir Mohamad today (20 September).

He said that this is because Malaysia is able to bring together natural resources, basic facilities, labor in a realistic way and to provide a number of impressive investment incentives.

Speaking at an investment seminar in Cologne, the prime minister declared that West German investors can easily enter the markets of ASEAN, Japan, and China if they operate in Malaysia.

He said that Malaysia has basic facilities such as roads, telecommunications, harbors, airports, energy resources, and labor which can be compared with developed countries.

The prime minister said: "The entry of Japanese investors who make their goods in Malaysia for re-export to Japan proves that Malaysia is the proper place to invest.

"Your goods may also compete in the Japanese market, which is presently wide open if you are operating in Malaysia," the prime minister said.

According to Dr Mahathir, Malaysia's action in diversifying its economy, from exporting raw materials to exporting finished and semi-finished goods, requires the participation of external capital.

He said: "The economic future of Malaysia, based on the production and export of sophisticated goods, will require a continuing input by foreign investors."

In this connection Malaysia is providing a number of investment incentives, such as 100 percent equity ownership of production for export and a liberal standard of foreign executive facilities.

He stated: "We also do not prevent the flow of capital and profits. You may take out your profits and capital whenever you want. If there are forms to be filled out they are merely for statistical purposes."

The seminar, sponsored by the West German Industrial Union (BDI), the West German Industrial and Trade Association (DITH), the Organization of West German Banks, the West German Foreign Trade and Wholesale Alliance, and the West German-Malaysian Trade Association, was attended by about 170 persons.

The prime minister took the occasion at the seminar to invite West German investors to take part in the privatization program which is being carried out by the government.

He stated that the privatization program welcomes foreign participation, particularly in the technical, trade, and management sectors, which may increase the impact and productivity of agencies which are being privatized.

He declared: "Because the local capital market is rather limited for investment in large projects, the participation of foreign capital is very much welcome."

Atmosphere

According to the prime minister, the government is preparing a basic plan for the privatization of harbors, railroads, and public facilities. The privatization of airports and postal services is also being studied.

At this time the government has privatized 14 projects, including airline, shipping, container terminal companies, a project to build roads and bridges, and a project to supply water and electricity.

Regarding the political atmosphere, the prime minister said that Malaysia is a stable, democratic country comparable to a number of developing and developed countries.

He said: "Tension in political parties is a normal thing in the democratic process. Indeed, it is an indication of healthy democracy."

"Basically, the National Front and, previously, the Alliance, have successfully led the government since independence, showing the approval and support of the people for the basic principles of the government.

"At the same time the opposition has succeeded in winning a number of seats, which has made it possible for its voice to be heard in Parliament and elsewhere. All of this shows that democracy is alive in Malaysia."

Mahathir-Kohl Talks on Economic Issues 4213001c Kuala Lumpur UTUSAN MALAYSIA in Malay 21 Sep 88 p 1

[Text] Bonn, 20 September—Dr Mahathir Mohamad fully agrees with Chancellor Helmut Kohl on efforts to increase trade and economic relations between Malaysia and the Federal Republic of Germany.

These efforts include broadening access to the European market for plywood from Malaysia, increasing travel by German tourists to Malaysia, and the need to improve cultural relations between the peoples of the two countries.

This agreement was reached in 1 hour of discussions between the two leaders in the chancellor's office in Bonn last night [19 September]. They were accompanied by only one assistant each: Yusof Hitam, secretary of the Ministry of Foreign Affairs, and Hans Klein, minister for economic cooperation.

Speaking to Malaysian reporters in Bonn that evening [19 September], Yusof said that the two leaders agreed to continue their "contacts" between meetings in order to increase trade and economic relations.

Doctor Kohl invited Doctor Mahathir to write to him at any time and regarding any matter which needs his attention, in order to strengthen bilateral relations. If necessary, he will be prepared to receive special representatives from Doctor Mahathir.

This was characterized as a new development which reflects the establishment of close relations between the two leaders.

In their discussion, Doctor Mahathir asked for Doctor Kohl's support in increasing the import quota of Malaysian plywood in the European Community above its present level of 85,000 tons annually.

He also asked for a reduction of the 11 percent tax on the import of plywood in excess of the quota.

The prime minister also described Malaysian action to attract more tourists, particularly Germans, and said that Malaysia would appreciate an increase in the landing rights of Malaysian Air Service (MAS) flights to West Germany. At present MAS has three stopovers in its flights to Germany, on its way to and from London.

Doctor Kohl was said to have shown interest in the efforts to stimulate Malaysian tourism and will ask his officials to review this possibility.

MCA's Assets, 'Life Membership' Drive Reported
42050005c Selangor SIN CHEW JIT POH
24 Sep 88 p 4

[Text] Lee Kim Sai, deputy president of the Malaysian Chinese Association (MCA), pointed out that the MCA, through its reorganized investment firm the Hua Jin Holding Company's newspaper assets and other enterprises, can raise 4 to 5 million dollars.

He said that, according to the party's asset restructured plans, the MCA Mansion will be managed by a new real estate company, with the party controlling 51 percent of the stock, while the 49 percent of the shares will be offered for sale to good companies friendly to the party in order to acquire an income of M\$1 million.

He said that if the "MCA Trading House" succeeds in raising the target of M\$4 million, the money can be used to clear the party's debts to the banks.

Lee Kim Sai said that this trading house will be opened in 19 major cities throughout the land on 2 to 4 December as the last fund-raising campaign in the party's overall plan to solve the debts incurred by MCA Mansion.

He urged all MCA members to go all out to guarantee the trading house's success and raise the targeted M\$4 million.

He made the above appeal at the MCA headquarters today.

He said that it is the goal of the "MCA Trading House" to foster fraternity and unity among themselves and to invite other nationalities to take an active part through various programs.

Mr Lee said that the MCA has set up a high-level committee headed by President Datuk Ling Liang Sik and responsible for all preparatory and fund-raising work.

He said that a rescue plan of a mass character is a kind of a broad political movement concerning "involvement" and "spurring on." Through a nationwide grassroots basic-level fund-raising and donations from the populace, such movement can strengthen Chinese society's recognition of the MCA and, in turn, to put into practice the combined objectives of the MCA and the Chinese community. It also serves as a touchstone to test MCA's massive, grassroots basic-level organizational network, while a drive for "life membership" is merely one of the political movements coordinated with the fund-raising campaign.

He also said that even after the MCA Headquarters' debts have been successfully cleared, this "open door" policy of the party will continuously be maintained.

Mr Lee Kim Sai urged all party members to regard the fund-raising at the MCA hong as an urgent and top-priority task in order to vez. the party away from the financial crisis. He enjoined all MCA federal committees, divisions and branches to make an all-out effort to fulfill this task. After all the debts have been cleared, then there will be ample time and energy to be devoted to the party's political work.

In addition to MCA President Datuk Ling Liang Sik, the party's ministers and deputy ministers, as well as more than 260 delegates representing 130 divisions throughout the country, were present at the above big report-back meeting.

Paper Comments on Status of Musa Hitam
42130011a Kuala Lumpur UTUSAN MALAYSIA
in Malay 21 Sep 88 p 1

[Article by Rozaid Abdul Rahman]

[Text] Kuala Lumpur, 20 September—The position of Musa Hitam in the Tengku Razaleigh Hanizah group has again become a question mark following the "omission" of his name from the list of 13 members of Parliament who have asked that their seating realignment in the Dewan Rakyat (lower house) be predetermined for the session of Parliament which begins on 10 October.

Political observers say that this omission clearly indicates that Musa Hitam does not want to be a follower of Tengku Razaleigh.

Former Minister of Foreign Affairs Rais Yatim, who announced the position of the Razaleigh group at a press conference las. night [19 September], stated that Musa Hitam's name was not included in the list because the former deputy prime minister did not attend a meeting last week [18 September] regarding this matter.

However, Rais Yatim hopes that Musa Hitam will join the group or act in the same way as they do.

In any case this development has reawakened doubts among people who, up to now, believed that by supporting Shahruh Abdul Samad, the independent candidate in the recent parliamentary by-election in Johor Baharu, Musa Hitam was once again a member of the Tengku Razaleigh group.

Previously, rumors were heard that Musa Hitam was offended by Tengku Razaleigh's that his group would present an independent candidate in the Parit Raja by-election on 20 October.

People close to Musa Hitam say that he was the object of the Tengku Razaleigh maneuver because it was stated that he tried to "interfere" in the Johor Baharu area which, up to now, has been regarded as under Musa Hitam's influence.

It has been said that Musa Hitam felt that he had more right to make this statement than Tengku Razaleigh. However, the people of Johor Baharu have always been aware that Osman Saat, the former chief minister of Johor State, has closer relations with Tengku Razaleigh than with Musa Hitam himself.

For that reason, according to political observers, the statement made by Tengku Razaleigh regarding the readiness of his group to present a candidate in the Parit Raja by-election was encouraged by Osman Saat, who feels that his support is stronger and more influential than that of Musa Hitam.

A recent report from Muar [Johor State] also stated that Osman Saat had a conversation with Musa Hitam concerning the candidate in Parit Raja.

It is said that both of them want to nominate their candidates in this by-election. Political observers in Johor regard this development as a struggle for influence between Osman Saat and Musa Hitam.

It is reported that Musa Hitam wants a local figure from Parit Raja to be the candidate to represent their group. However, Osman Saat, as the campaign manager for the independent candidate, wants to nominate a former military figure as the candidate.

However, it appears that at present Musa Hitam not only is being forced into a struggle for influence with Osman Saat in his own state but also must consider how he can

free himself from the shadow of Tengku Razaleigh, who has already defeated him on two occasions in the contest for the position of deputy president of UMNO.

As was announced by Rais Yatim on 19 September, Tengku Razaleigh will be the chairman of the group of 13 in the forthcoming session of Parliament. Unofficially, he will act as "chief whip."

The question now is whether Musa Hitam can be regarded as a supporter of Tengku Razaleigh.

How does Musa Hitam feel about this and how much influence does he still have as former minister in the Prime Minister's Office over his past supporters, such as Ajib Ahmad, Shahrir Abdul Samad, and Adib Adam?

Ajib Ahmad supported Mas'ud Abdul Rahman, the candidate of the National Front, in the Johor Baharu by-election, whereas Shahrir Abdul Samad and Taufik Tun Dr Ismail, from the very beginning, changed their positions in Parliament into that of independent members.

Meanwhile, the whereabouts of Adib Adam are not presently known.

However, the announcement by Rais Yatim that the members of the group led by Tengku Razaleigh are asking to have their status in Parliament changed to that of independent members clearly indicates that they no longer care about or do not take seriously the views of Musa Hitam regarding this matter.

What is now clear to the people is that Tengku Razaleigh, and not Musa Hitam, is the leader of the group of old UMNO members of Parliament who do not wish to join the new UMNO.

Regiment Commands Reshuffle Viewed
*BK0511120188 Bangkok MATICHON SUT SAPDA
in Thai 30 Oc: 88 pp 8-9*

[Article by Sakun Suriwong entitled: "Introduction of New Regiment Commanders, Power Base of Coup"]

[Excerpt] [Passage omitted] The recent reshuffle of the officers of the regiment commands needs to be specially watched, for that is a very important power base of the Army.

Reshuffle of 276 Senior Colonels—Chawalit's Typical Subtle Style

Army Order No. 901/1988, dated 17 October, signed by Army commander General Chawalit Yongchaiyut, for the reshuffle of 276 senior colonels has been widely remarked upon in the Army as subtle, smooth, and not surprising. There are no shocking transfers. Most of the posts are adjusted according to seniority and suitability to respective authority. Some say it was approved in accordance with the lists proposed by Army region commanders and was not much changed.

That is typical of Gen Chawalit's style not to refuse or oppose anyone if not necessary. Moreover, in this reshuffle some senior officers—who once had high status and important roles but were "kicked out" into inactivity for some reason—are given a chance to come out of the rough. The good examples of this are Colonel Bunsong Phattharasongkram, former commander of the 1st Cavalry Regiment who was transferred to a post attached to the 1st Army Circle as a result of the 9 September 1985 coup incident, who was appointed assistant chief of the Army Veterinary Department; and Col Winai Phatthiyakun, former aide of General Athit Kamlang-ek who was transferred to become a lecturer of the Thesis Section of Army College, Institute of Army Academies, was this time promoted to be director of the Military Study Division of the Army College.

In addition, it is noteworthy that in this reshuffle the post of "section chief" is erased and is replaced by "section director." This change was reportedly made only two weeks before the issuance of order came out. Some say the reason for this change is to upgrade and make the rank more suitable. But several military officers complain that it has greatly lessened authority.

Adjustment of Regiment Commanders Base—CRMA 14 [Chulachomklao Royal Military Academy Class 14] Up Majestically in Six Regiments

In this reshuffle order, there were transfers of commander posts in many key regiments considered "power bases." Six officers of CRMA 14 were promoted to the top post controlling power in six key regiments.

To start with the 11th Infantry Regiment—which is affiliated directly to the 1st Army Division, is situated in the capital city of Bangkok, and was once famous for

being a counter-9 September coup command headquarters—Col Phon Wanakamon (CRMA 14) has been promoted from deputy commander to commander of the 11th Infantry Regiment, replacing Col Thitiphong Chennuwat (CRMA 11) who has been promoted to deputy commander of the 9th Infantry Division.

Next is the 9th Infantry Regiment, which is affiliated to the 9th Infantry Division—the No. 2 regiment of the Army—Col Thawip Suwannasing (CRMA 14) is promoted from deputy commander of the 1st Infantry to commander of the 9th Infantry Division, replacing Col Phonchai Dechatiwong (CRMA 14) who is transferred to become chief of staff of the 2d Infantry Division.

In the 12th Infantry Regiment, affiliated to the 2d Infantry Division, Col Phichai Rotruangsi, another member of CRMA 14, is promoted from deputy commander of the 2d Infantry Regiment to commander of the 12th Infantry Regiment, replacing Col Somkhuan Maniwong (CRMA 12) who is appointed deputy commander of the 9th Infantry Division.

Col Rewat Bunthap (CRMA 13) is transferred from commander of the 23d Infantry Regiment, affiliated to the 6th Infantry Division, to deputy commander of the 3d Infantry Division. He is replaced by Col Chirasak Phrommopakon (CRMA 14) who is transferred from chief of staff of the 6th Infantry Division.

At the 2d Cavalry Division, Col Sangiam Sawangkhawat of CRMA 14 was appointed to take the post of commander of the 1st Cavalry Regiment, being transferred from a post attached to the Army Command; while Col Watthanachai Chaimuangwong (CRMA 12) was transferred from commander of the 1st Cavalry Regiment to become chief of staff of the 2d Cavalry Division.

However, in his military career, Col Sangiam was once deputy commander of the 1st Cavalry Regiment before he was transferred to deputy chief of staff of the 2d Cavalry Division and later to a post attached to the Army Command.

On the Artillery side, Col Prakit Siriphan, another CRMA 14 member, was appointed commander of the 71st Artillery Regiment, to replace Col Udom Hemwichee (CRMA 12) who is transferred to become chief of staff of the Artillery Division.

Keep an Eye on Other Field Regiments in Both the Infantry and Anti-aircraft

The 6th Infantry Regiment affiliated to the 6th Infantry Division: Col Damrong Thasanason (CRMA 11) was promoted to deputy chief of staff of the 2d Army Corps. He was replaced by Col Nikhom Yotsunthon (CRMA 15), who was transferred from deputy commander of the 121st Infantry Regiment.

Col Samrit Nonthachot (CRMA 15), deputy commander of the 13th Infantry Regiment, was promoted to commander of the 13th Infantry Regiment, replacing Col Somphan Bunkanwan (CRMA 10) who was promoted to deputy commander of the 6th Infantry Division.

The 4th Infantry Regiment affiliated to the 4th Infantry Division: Col Chalo Thongsala (CRMA 13) was promoted from deputy commander of the 4th Infantry Regiment to commander of the 4th Infantry Regiment; while Col Sommai Wichawon (CRMA 11), commander of the 4th Infantry Regiment, was appointed deputy commander of the 4th Infantry Division.

After the North, now we look at the South.

In the 15th Infantry Regiment affiliated to the 5th Infantry Division, Col Wanchai Kanprapha (CRMA 16) was promoted from deputy commander of the 15th Infantry Regiment to commander of the same regiment. Col Winit Krachangson (CRMA 9) was promoted to commander of the 16th Infantry Division.

Another CRMA 16 member, Col Rewat Ratanaphongsai, was promoted from deputy commander to commander of the 5th Infantry Regiment, replacing Col Phairat Khemkhon (CRMA 12) who was transferred to deputy chief of staff of the 4th Army Region.

At the Special Warfare Command Corps, 2d Special Warfare Division, Col Somsak Saengchanloet (CRMA 12), commander of the 4th Special Warfare Regiment, was promoted to deputy commander of the 1st Special Warfare Division. Col Sathon Suwansi (CRMA 12) was transferred from chief of staff of the 1st Special Warfare Division to commander of the 4th Special Warfare Regiment.

In the Anti-Aircraft Artillery Division, Col Thakoeng Munghanya (CRMA 13) was transferred from chief of staff of the Anti-Aircraft Artillery Division to commander of the 2d Anti-Aircraft Artillery Regiment; while Col Samphao Chusi (CRMA 12), former commander of the Anti-Aircraft Artillery Regiment, was promoted to deputy commander of the Anti-Aircraft Artillery Division.

From Regiment Commander, a Step Away From Division Commander—CRMA 10-11-12

As a pack of CRMA 14 members are promoted to regiment commander posts, some of the former commanders are promoted to deputy division commanders to be in a queue waiting for the right time to be honored with general's rank.

Considering seniority, it will be seen that from CRMA 10, Col Somphan Bunkangwan was promoted from commander of the 13th Infantry Regiment to deputy commander of the 6th Infantry Division. Apart from this, in this Army reshuffle another CRMA 10 member, Col Phayungsak Suwiraphon, was promoted from deputy

chief of staff of the 4th Army Region to deputy commander of the 5th Infantry Division; and Col Ratana Chaloemsaenyakon, another CRMA 10 member, was transferred from chief of staff of the 2d Cavalry Division to deputy commander of the 2d Cavalry Division.

In the CRMA 11 group, Col Thitiphong Chennuwat was promoted from commander of the 11th Infantry Regiment to deputy commander of the 9th Infantry Division; Col Sommai Wichawon was promoted from commander of the 4th Infantry Regiment to deputy commander of the 4th Infantry Division; Col Itsara Wiangamphon was promoted from commander of Border Operations Corps of the 4th Army Region to deputy commander of the 5th Infantry Division.

In the CRMA 12 group, Col Somkhuan Maniwong was promoted from commander of the 2d Infantry Regiment to deputy commander of the 9th Infantry Division; Col Somsak Saengchanloet was promoted from commander of the 4th Special Warfare Regiment to deputy commander of the 1st Special Warfare Division; Col Prkat Phanbanyong was promoted from chief of staff of the Artillery Division to deputy commander of the Artillery Division; Col Samphao Chusi was promoted from commander of the 2d Anti-Aircraft Artillery Regiment to deputy commander of the Anti-Aircraft Artillery Division.

However, Col Amphon Sawetserani of CRMA 8 cannot be overlooked, as he was a former commander of the 11th Infantry Regiment in the anti-9 September coup period and was later transferred to chief of staff of the 1st Army Division. In the latest reshuffle, he was promoted to deputy commander of the 1st Army Division.

Another CRMA 8 member, Col Somphon Chunhanan, was promoted from chief of the staff of the 2d Infantry Division to deputy commander of the 2d Infantry Division.

The 3rd Army Region Is Next, and Then Queue for Battalion Commanders

"Most of the officers of the colonel to senior colonel ranks at present are those who have been promoted after the clearing of the key officers who held power in the period of the 6 September incident," a high-ranking source in the Army commented about the new regiment commanders and former regiment commanders who are now at the position close to division commander. The source said these officers have been screened and are mostly trusted by their superiors.

"In particular, there was a big clearing out of cavalrymen, which included a main power base for the 9 September coup, somewhat like that clearing of infantry regiment commander posts after the 1-3 April 1981 incident," the source emphatically added.

The source continued that the order on reshuffling senior colonel posts issued by Gen Chawalit on 17 October does not mean that there will be no more reshuffles at the senior colonel level in the Army this year. There will be more reshuffles in the 3rd Army Region since the posting has not yet been finalized for a number of colonels whose salary exceeds senior colonel level, but there are not

enough vacancies for them to fit in. The reshuffle for the 3rd Army Region was therefore not completed in time.

What is important is that the next reshuffle will be for the posts from colonel level and lower, those who hold power at the battalion level. This will then give a clearer and more complete picture of the power base in the Army.

POLITICAL

Nguyen Huu Tho Comments on Lack of Real Democracy
42090035 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 25 Sep 88 pp 1, 3

[Article by Vo Linh Ha: "Democracy Cannot Be Had As a Favor"]

[Text] Editor's note: A short but much-applauded speech in the 2nd day of the 5th Municipal Fatherland Front Congress was delivered by Lawyer Nguyen Huu Tho, vice chairman of the Council of State. The SAIGON GIAI PHONG reporter present at the congress took summary notes and we present the main part of Nguyen Huu Tho's speech based on his notes as follows:

Many speeches delivered at this congress all reflected from different angles a kind of soul-searching worry about the country still facing so many difficulties. But why did our country fall into such a difficult situation? Was it because we Vietnamese lacked capabilities, were lazy, and lacked vigor and creativity? Perhaps nobody would think that way, for the past glory of our nation, and the achievements made by Vietnamese after they had gone abroad, proved that it was not so. I think that we must analyze the reasons by starting from the bureaucracy, conservatism, and stagnancy that still weigh heavily on the leadership machinery at all levels and from the lack of democratic behavior and strong desire to struggle on our part.

Do not have the illusion that the bureaucratic and conservative people will self-consciously grant democratic rights to the people and self-consciously materialize them so as to achieve the renovating task. The matter very much depends on the struggle of the organizations that represent the people, namely, the National Assembly, people's councils, Fatherland Front, mass organizations, and so on. We must feel painful as we are aware that the struggle of such people's tools has remained very weak. This does not mean that we did not have the right conditions to struggle, but the truth is the above-mentioned organizations still did not dare to struggle and proved themselves rather weak.

Why did the Fatherland Front, which has the legal right to recommend candidates to run for positions in the state organs, fail to actually select the people who showed good capabilities and morality to run as candidates, and obediently accept instead the lists sent to it from the superior echelons? Why, in spite of Directive 17 of the Secretariat which defines the tasks and authority of the Fatherland Front, did it not actively apply it and fight for its implementation? Why did the Fatherland Front and mass organizations, which are the people's organizations, remain passive and carry out whatever had been decided for them without acting on their own initiative to grasp, reflect, and fight for the urgent matters affecting the masses and to resolve them for the latter's benefit?

The National Assembly, which is the highest organ of authority, also put up a weak struggle. What were achieved at the recent National Assembly meetings were not fundamental things. To remove people from state positions is within the authority of the National Assembly and People's Council, but this authority has never been exercised.

While the National Assembly is weak, the people's councils are weaker. We have spent money and time to organize elections in order to select the elected organs and let them meet a few times a year, but let us ask what have these organs resolved in order to serve the people. As we know, only the subordinate organ, the people's committee, convenes the meetings of the highest organ of authority in a locality, the people's council, but never the contrary of this has happened. The people's committee is an organization that is placed under the control of the people's council, but the chairman of the people's committee in a locality is also the chairman of its people's council. And the people's councils, which wield such a great authority, do not have a complete machinery to use, do not have a budget, nor even headquarters of their own. These funny things still remain unchanged due to a lack of struggle.

Everybody likes a real cake, not a fake one. Only those people who have no talent and whose interests are linked with the installations that are based on outward forms like those kinds of formal activities.

What is painful is the fact that for many years we have still maintained those forms, the things that exist in name only. Our great shortcoming is the fact that we have not yet had real democracy. We have failed to struggle for the legitimate aspirations of the people, who have not really been allowed to select leaders in accordance with their trusting them.

The whole matter is we must struggle to achieve things. Although this struggle is unlike the one in the past that was the resistance against the enemy, it must still be a bitter one. We must struggle hard to turn the 6th Party Congress resolution and the correct party policies into laws. When we have the laws, we must struggle to carry them out. Without the laws we cannot guarantee the democratic rights. The functions and responsibilities of the party, state, elected organs, and mass organizations must be clearly defined and divided, for we cannot let this situation of holding total authority, doing everything, and doing things for others continue forever. The courts must be independent and cannot hold trials in accordance with orders that are given beforehand. I think that the Fatherland Front must also have a clearly defined status to regulate its relations with the state organs.

I think that no matter how successful this Municipal Fatherland Front Congress may be, the crucial question still depends on the courageous struggle in the days to come. Democracy cannot be had as a favor but in a struggle.

**State Council Promulgates Labor Duty
Regulations**

*BK2211055088 Hanoi Domestic Service in Vietnamese
2300 GMT 21 Nov 88*

[Text] Chairman of the State Council Vo Chi Cong has signed an order promulgating the regulations on labor duty for public welfare which were approved by the National Assembly on 10 November 1988.

The regulations consist of 5 chapters of 25 articles and are aimed at rationally mobilizing the people's labor strength to help build, maintain, and repair various projects in the common interests of society; and to promptly prevent, control, and overcome the consequences of natural disasters and enemy threats.

Lam Dong Party Building Work 'Unsatisfactory'
*BK191111188 Hanoi Domestic Service in Vietnamese
2300 GMT 17 Nov 88*

[Text] The Lam Dong Province Party Committee recently held its eighth conference to assess the actual status of party building work in the past year and set forth its program of action till the year 1990. Carrying out self-criticism and criticism internally, the Lam Dong party organization has to date finished grading its basic party units with 8 percent of them rated good, 70 percent satisfactory, and 22 percent weak. In particular, basic party units in the countryside and mountainous areas are very weak. Over the past 13 years, the number of party members who are of ethnic minorities has dropped as compared against the 1st year after liberation. Some 5 percent of party members in the province have violated discipline; and 1 percent of them have been expelled from the party.

Through this assessment, the Lam Dong Province Party Committee clearly noted that party building work remains unsatisfactory. As an immediate step, the provincial party committee has reviewed 2 years of leading and guiding implementation of party resolutions, assessed the enforcement of regulations already promulgated, and reassigned a number of provincial party committee members in order to meet the current requirements. The province has organizationally consolidated and strengthened the various echelons and sectors from the provincial to grass-roots level, clearly defining the functions and tasks of every component as well as their relationship and work procedures to suit the new economic structure and the new mechanism of management.

**City Party Secretary Explains Basic Congress
Issues**

*42090025b Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 30 Aug 88 pp 1,2*

[Correspondent Phuoc Sanh Summarizing Comments by Vo Tran Chi, Municipal Party Secretary: "Contents of the Party Congress at Grassroots Levels Must Be Truly Realistic." First paragraph is SAIGON GIAI PHONG introduction.]

[Text] On 25 August, Comrade Vo Tran Chi, secretary of the Municipal Party Committee, came to visit and work

with the party committee of the Sub-ward 10 of the 10th Precinct regarding preparing contents of the upcoming congress of the sub-ward party organization. Many of the subjects he brought up during the discussions are common issues for party congresses at the basic level. Correspondent Phuoc Sanh provides the following summary.

I am not in very close touch with the concrete situation here, but based on what you comrades have presented, I would like to express a few ideas for your further consideration.

The first is socio-economic. The sub-ward's production force is still too small, which is a basic weakness of the sub-ward. You should keep an accurate accounting of the labor force in the sub-ward, including data both on the number of persons going out to work at other units and on the number taking part in production in the sub-ward, noting the increase or decrease over each period, and thereby making a well-founded general evaluation of labor and living standards for the entire sub-ward.

We talk a lot about adhering to the Resolution of the Sixth Party Congress and other resolutions of the Central Committee, the most recent, Resolution 16 of the Political Bureau, which deals with developing potential for production. Well, then, how do we develop the real potential of the five components of the economy in this sub-ward in order for production and life in the sub-ward to constantly develop?

Adhering to those resolutions means that the party organization of the sub-ward, the sub-ward committee, the front, and mass organizations should conduct coordinated research to accurately determine how many of the families and individuals among the 13,000 residents of the sub-ward are capable of generating their own capital for production, and how many can have more funds sent to them from foreign countries. Basic research is required for an accurate grasp. The state is turning the resolutions of the party into law. We should not wait until the laws are in effect before taking action to get a firm grasp of the economic components that are those of our city's strengths that must be rapidly developed, and the same is true for this sub-ward.

According to your report, this sub-ward has 800 families with relatives in foreign countries who send back money and commodities. This is a potential that must be exploited. The potential must be transformed into a real capability. Instead of these families just receiving consumer goods and gifts from overseas to sell for spending money, if we can succeed in persuading them to switch over to receiving machinery, raw materials, and supplies for their own production, each family will have a more stable life, and society will also have more goods and commodities, which would provide basic and long-term benefits. You should also conduct more careful investigations to determine if some families are still exploiting loopholes in the management of state organs to use

capital to profit from a few opportunities, compounding difficulties for society. We should mobilize the people to put a stop to this and enable them to boldly invest capital in production.

We must clearly tell the people when our previous methods for improving production relations were wrong, so that they can confidently invest in production, and we must use in-depth mobilization. Adhering to resolutions means making them penetrate deeply into real life and making all five components of the economy develop. This will also promote strong party and youth group development in these production installations later.

In the report you prepared for the party congress, Comrades, the evaluation of the past term is no different from before. Every party congress is a big political event, so the previous period of over 2 years must be objectively and honestly examined. What has the sub-ward done? What has developed, what has stayed in place, what has not developed, and what has failed must all be clearly indicated. This provides direction and concrete planning for you to make corrections or develop your strengths. Only if this is so can much good experience be derived, from successes and experiences alike, over each term, and progress be made. You should not be sketchy, with a few sentences on everything, but stating no concrete experiences, no change. There must be statistics, but don't stop at statistics: use analysis, evaluation, and clear proof of each concrete matter and thereby make a general evaluation of the strengths and weaknesses of the entire sub-ward and the reasons why—because of incorrect resolutions, or because of bad implementation of those resolutions? How good the cadres and party members are can also be determined from this. First of all, those directly in charge must make clear and explicit personal critiques of their responsibilities. Only such critiques have substance, and the substance of critiques refers primarily to the formulation and implementation of resolutions, not only to quality. Naturally, an instance of violating quality must be seriously reviewed, resolved, and appropriately punished.

I do not see any big problems raised in your preliminary report regarding the quality of cadres and party members. Generally, the party organization enjoys the trust of the masses. That is good. You must see that you raise it further, with particular emphasis on training to raise leadership and management ability, which are low in comparison to requirements. I would like to take this opportunity to make brief mention of a village in the suburbs that has a secretary who is highly capable in economic management. The village presently has nearly 10 highly effective state-operated production enterprises, which have provided jobs for workers in the village and at the same time have contributed more products and commodities to society and created steady income for the village's treasury, with no one providing the initial capital. This village operated on the principle of borrowing its own capital, paying it back itself, accumulating its own capital, developing itself, and

contributing to the budget. The village secretary was a party member with know-how in economic enterprise. We party members are generally weak in this area. We need planning for selection, training, development, and utilization, and we must have a truly correct policy that will give us many skillful production management cadres and party members, especially at a time when we must oversee production development under conditions with many difficulties in terms of electricity, money, supplies, and taxes.

Your preliminary report at the party congress should be presented to members of the sub-ward for their discussion and comments. If the entire report is left untouched, it is hard for the people to express their opinions. It should not be presented to them just to be "democratic," but arrangements should be made to discuss each subject in a concrete way, in keeping with the real-life situation of each class of the population and in line with their interests and aspirations. If many opinions are contributed, we can avoid bureaucratism.

This is also true within the party. Arrangements must be made for the main topics that will be raised at the party congress to be carefully discussed at each party chapter, and party committees must meet to determine what was agreed with and what was taken exception to, and they should assemble issues to bring up for discussion and decision at the party congress. This will make the party congress systematic and give it more quality, so that it is not general and diffused, but has depth and salient points.

In the area of security and national defense, it is good that you have made preparations like you have. I won't go into it deeply, but just want to remind you of one thing: this is also an important operational area with many problems in the city. The task cannot be accomplished well with public security forces alone. We must know how to rely on the masses and organize neighborhoods well. That is the only way to basically solve the problem, for everyone wants their family to be safe, which is a common benefit, and it is specifically from that common benefit that the people will be mobilized, if we organize the effort properly, to participate in the effort to uphold security and order in the sub-ward and in the neighborhood. That is a strength more powerful than the weapons of public security forces. But the public security forces must be the framework of this movement. Social evils must be stopped in each neighborhood.

One of the biggest problems in party work today is the task of leadership in the new situation. Previously, in this city, our party provided leadership characterized as "regulation from a distance." Sometimes a party member hidden 5-7 levels away could still regulate a mass demonstration and set fire to American cars. That was because the direction set by the party was approved by everyone, and everyone followed the leadership of the party. Political and ideological activities of that time

helped each person follow the party through his own awareness and out of self-awareness to engage in appropriate revolutionary activities.

Now the party is in power, and it has come into power at a time when members of our party do not generally understand much and do not have expertise in socio-economic management, especially in managing a large city like ours. There are many matters of direction, planning, and policy that are not right yet, or no longer suitable, and must be corrected. Many must still be researched. For instance, the interworking of party and government organizations is presently unclear. Often, when the secretary of a sub-ward or village is skillful, he administers the government as well, but if he is weak, the government enforces on him. It is also true of other levels. Because the system of administration is not clear, the roles of elected organizations and people's councils are still obscure. These are basic problems that should be continuously resolved.

Often a policy exists, but there are many problems to be debated in the implementation of that policy, so the problem for political and ideological work is presently at this point. Therefore, while awaiting for the transformation of a resolution, we should aggressively motivate and urge each person to work together to implement the new policy of the party. To accomplish this, we must demonstrate it in practice, especially at the basic level. We must stick to the resolution, make it clear to party members, and only then turn that resolution into a reality among the masses in order to prove that the policy of the party is right, and thereby gradually change the system. For the immediate future, you must mobilize and activate all five components of the economy in the sub-ward, creating a new production force. If it is only written in the resolution, but nothing is done in practice to prove its effectiveness, it will never have any strength. And what we refer to as "adhering to" will also have no substance.

Of course, in the present situation, this is a very "worldly" thing, not easy, and it is also new, so we must hold firm.

I would like to bring up one more thing for you to think about. The recent Fifth Resolution of the Central Committee laid the groundwork for partybuilding in the new revolutionary period. We were partially subjective before, satisfied with victory in the revolutionary phase of national democracy. We therefore with partial simplicity. If one party did not lead the national democratic revolution to victory, it is essential that it lead socialist construction to success, for the contents of these two revolutionary strategies are very different.

If the national democratic revolution demanded extreme creativity from our party, it is also true of the socialist revolution. One such creativity now is that of developing the five components of the economy well in the aim of promoting the development of goods production. Without it, we cannot reach socialism.

Although your preliminary report was rather laborious and was corrected many times, yet, as the district committee has observed, it is still too general.

Adhering to resolutions requires introducing them to life and bringing them out in mass activities, and they must show concrete results. The sub-ward party organization must be responsible to the people throughout the sub-ward for this work, this task.

It is not required that I exhaust the subject of the contents of the sub-ward party congress, that is the responsibility of you comrades and of the party congress; no one can take your place.

Fatherland Front Addresses Chinese Community Problems

42090037b Ho Chi Minh City *SAIGON GIAI PHONG* in Vietnamese 23 Sep 88 p 1

[Article by Huy Mien: "Problems of Chinese Community Presented to Municipal Fatherland Front Fifth Congress;" first two paragraphs are *SAIGON GIAI PHONG* introduction]

[Text] Editor's note: According to the latest investigative data, 450,000 Chinese are presently residing in the city with the greatest concentration in the 11th Precinct and then in the 5th and 6th Precincts. Most belong to the labor element, working in such trades as small industry and handicrafts, small business and small rental operations. According to data of the Municipal Federation of Cooperatives, the small industry and handicraft products produced by Chinese residents account for one-third of the total output of the entire city. The city presently has one Chinese language daily newspaper, two theater groups in the Guangdong and Trieu Chau languages, and one children's musical group.

During the period of preparation for the Fifth Congress of the Municipal Fatherland Front, the fatherland front committees of a number of precincts held seminars on "policies regarding Chinese residents." We wish to summarize some of the main opinions presented by Chinese compatriots to the Fifth Congress of the Municipal Fatherland Front.

The hope of many Chinese compatriots is for truly equitable treatment in every proper aspect such as party policy. The Municipal Fatherland Front with its responsibility must maintain close contact and initiate positive actions to implement the lines and policies of the party and state on Chinese residents in a strict and specific manner. Only in this way is it possible to fully develop the capabilities and intelligence of the Chinese residents wishing to contribute their efforts in building the nation. In the field of education for the children of Chinese residents, although a few general education schools

located in areas with many Chinese students in the past had a portion of the instruction in the Chinese language, it was not systematically implemented and the quality did not meet requirements.

The cultural and spiritual life, although partially improved, is still extremely poor. During the past, primarily due to a shortage of textbooks, information sources and many other restraints, the Chinese compatriots have been unable to thoroughly understand the lines and policies of the state.

In production development, a large portion of the Chinese families in the city have relatives living in many countries throughout the world. During past years, many Chinese residents have responded to state policy by contacting relatives in foreign countries to acquire equipment and machinery for production, but have still encountered many difficulties such as excessive tax levels, cumbersome procedures, etc. The Fatherland Front must suggest that the state initiate methods to resolve these obstacles while simultaneously solidifying the investment law so that Chinese residents can confidently and calmly invest their assets and skills as well as appeal to their foreign relatives to cooperate in production development.

The extremely slow and imprecise handling of the grievances and complaints of the Chinese community during the past is also a problem concerning them and it is suggested that the Municipal Fatherland Front give concern to assisting in a solution.

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[Text] Renovating Awareness Regarding Ho Chi Minh Vanguard Teenager Units According to the Spirit of the Resolution of the Sixth Party Congress; Phung Ngoc Hung and Vu Van Cuong

"Culturalizing" Activities of the Youth Group

Expanding the Population, Family Planning Drive Among Youth—a Crucial Job.

We Interview

Do Xuan Mao: Population Along with Socioeconomics and the Role of Youth in the Task of Implementing Planned Childbirth.

Trung Thanh: Discussing Socialism with Young Friends

Tran Hoang Linh: Are We Wrong?

Hong Tuyen: Young People and Video Cassettes

Dinh Duc: Violations and Harm to Children Increase, Fault and Responsibility.

Improving Efforts to Select and Educate Youth Group Cadres, Ensuring Succession in Cadre Work.

Leninist Communist Youth Group After the 20th Party Congress.

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Press Anti-Negativism Campaign Stalling
42090037a Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 22 Sep 88 pp 1, 2

[Article by H. N.: "Looking Back Over a Year of Implementing Directive 15 of the Party Central Committee Secretariat: Municipal Press Analyzes Stall in Newspaper Criticism of Anti-Negativism"]

[Text] About 300 cadres, reporters and associates from newspapers and radio and television stations in the city attended a seminar, entitled "Looking Back Over a Year of Implementing Directive 15" (the directive on strengthening party leadership to use the press in the struggle against negativism), held by the Municipal Journalists Association on 20 September 1988. Nearly 30 opinions expressed at the seminar agreed with the assertion that since Directive 15, anti-negativism in the municipal press has stalled. Many opinions analyzed that the reason for this occurrence was that the Municipal Party Committee has not given full concern or initiated methods for leading the press in the struggle against negativism; many sectors and echelons have not strictly complied with the responsibilities stipulated by Directive 15 that concern them; and the management mechanism of the press presently has many shackles and in reality many "oral prohibitions" are still transmitted to the steering committees of newspapers and stations. On the press side, participation by newspapers and stations has been irregular with many still not actively participating in the anti-negativism struggle. Although a number have actively participated with many efforts and praiseworthy contributions, some specific criticisms have still contained exploitable weaknesses and inaccurate details with few major issues of a representative nature.

Most of the negativisms criticized in the newspapers have not been resolved or not in a satisfactory manner, greatly restricting the effectiveness of criticism and seriously affecting the confidence of the readers.

To continue to develop the role of the press in the anti-negativism struggle, the seminar offered a number of suggestions:

- Newspaper and radio criticism of leadership agencies must be conducted directly with the editorial department of the newspaper or radio station concerned in the form of a dialogue with democratic contribution of suggestions in order to clarify the truth.
- Written, not oral, prohibitions are needed to easily clarify responsibility.
- The collective leadership of the Standing Committee must be strengthened in leading and supervising the press, and the supervision center must be clearly concentrated.
- Promptly promulgate press regulations and establish democratic institutions as a legal basis for press activities.
- Lead and urge newspapers and stations to participate in a uniform manner, create coordinated public effort in contributions to halt negativism, and overcome the situation of a number of newspapers and stations not actively participating.

On this occasion, Duong Dinh Thao, Head of the Propaganda and Training Department of the Municipal Party Committee, confirmed that the anti-negativism campaign on the press front was an essential and arduous struggle that must be correctly aimed at the target and objective, must be accurate, and must produce results. He and the party committee echelon asserted their support for the press in the anti-negativism struggle and press renovation while simultaneously indicating the need for pointing out the shortcomings of the press and assisting the press to successfully conduct the struggle against negativism.

The seminar suggested that the Municipal Journalists Association ascertain full and accurate information to promptly inform association members of articles published in the newspaper NHAN DAN about the resolution of the Executive Committee of the Vietnamese Journalists Association criticizing the newspaper VAN NGHE for serious shortcomings and discrepancies, and assigning the Secretariat of the Journalists Association to strengthen the substance and organization of the newspaper VAN NGHE.

Inactivities Common Among Youth Union Chapters

42090034 Hanoi NHAN DAN in Vietnamese
14 Sep 88 p 3

[Article by Pham Dao: "Campaign for Building Youth Union Chapters Progresses Slowly"]

[Text] Correct Awareness of Situation

The 5th National Ho Chi Minh Communist Youth Union [HCMCYU] Congress sounded an alarm about the weakness, and in many localities the paralysis, of

basic-level youth union organizations, particularly at the chapter level. According to initial statistics released by the Youth Union Central Committee, among the 30 percent of the youths being part of 160,000 youth union chapters, only 30 percent really participated in the latter's activities. The HCMCYU has not made any total survey on a nationwide scale in order to create an overall picture of the real situation of basic-level youth union organizations. However, in a number of localities, the fact that the youth union committee echelons had truthfully drawn such a picture with figures dumbfounded many party committee echelons and superior youth union echelons. In Hai Hung Province, youth union members accounted for 10 percent of its youths. When questions were put to 650 youth union chapter secretaries, 60 percent said they liked to be youth union cadres, but only 20 percent knew how to carry out activities on their own initiative and the rest worked in the manner of "doing nothing without receiving orders first."

In Thai Binh Province, the secretary of Thai Thuy District Youth Union said that very many chapters did not have any activities year after year. In Catholic areas, the Youth Union was "considered a blank installation." Le Huu Thang, secretary of Binh Tri Thien Provincial Youth Union, pointed out that the weak youth union bases accounted for 48 percent, with some of them for as long as 30 years remaining "blank installations." In the southern provinces, the weakness of youth union organizations was even greater. In many localities, only 1.7 percent of youth union members in a hamlet or a production collective directly took part in production. In Ben Tre Province, 79 of 156 basic-level youth union chapter secretaries had switched to other work, and yet only until the District Youth Union made an investigation of the real situation in basic-level chapters did they discover that 13 of 18 village youth union chapter secretaries of Binh Dai District had ceased to take part in youth union activities. In the same province, the number of youth union members in the official list for a long time was 54,000, but a check showed a "loss" of 13,000 of them. The inactive youth union installations accounted for up to 40-50 percent. In the better units in Dong Nai Province, only half of youth union members took part in youth union activities.

In the above-mentioned localities, however, many reasons could be cited to explain such a situation, including a lack of leadership from the HCMCYU Central Committee due to the great distance from the latter, difficult means of transportation, and poor cultural and spiritual life. But how about right in Hanoi? A commendable act on the part of the Dong Da Ward Youth Union was not to wait for leadership from the Municipal Youth Union Committee and instead to review by its own initiative the work of all chapters in the ward in the spirit of facing the truth. As a result of that review, the ward-level chapter that had been for many years a strong unit of the Hanoi Municipal Youth Union pointed out that the political dividing line between youth union members and youths was about equal. The gap between youth

union members and youth union organizations became wider everyday. The number of members who were devoted to their youth union became smaller everyday. Youths only attended youth union meetings but did not take part in youth union activities. In 1987, in the entire ward, 63 youth union installations had an activity every 2 months; 41 every 3 months; and 15 every 6 months. A local general school admitted 36 youth union members all at once only by means of a decision. The real meaning of that action was "to award" the title of youth union members to the graduates before they left the school.

Some people thought that if the above-mentioned weakness were not overcome quickly enough, the youth union organizations would soon have only cadres and no members. We have found that the idea was far from groundless and could even be a forecast. And that was a real danger for the HCMCYU.

Confusion and Unnecessary Resistance

Twenty provinces and municipalities have so far conducted investigation and review to find out about the real situation in their youth union organizations and chapters and have been seeking appropriate measures to remedy the situation by organizing widely-attended seminars among their cadres, soliciting leadership ideas from party committee echelons, providing youth union chapter secretaries with better elementary and advanced training, classifying and evaluating members in terms of their quality, gradually renovating the work methods and behavior in conducting youth union activities, strengthening seminars and dialogues, and stepping up the cultural and artistic aspects of youth union activities. Bac Thai and Quang Ninh Provinces have organized contests to select excellent youth union chapter secretaries for the purpose of improving the working capacity of youth union organizations.

For the time being, the Ho Chi Minh City Youth Union has completed a phase of review and classification among its members and in its installations in all precincts and districts, and is launching a campaign to improve the quality of youth union members and installations. Although the results it has obtained are still negligible, this represents the necessary first steps.

However, some localities got confused after they had found in surveys the worrisome state of their basic-level youth union organizations and were unable to find any effective measures to improve the situation. Consequently, although the Youth Union as a whole, from the Central Committee Secretariat to local cadres, expended a lot of energy and effort, no typical models were really created yet.

To understand thoroughly and correctly today's young generation of 17 million people full of dynamic and changing qualities requires many scientific studies to serve as a basis for strengthening party leadership over the youth-proselyting work, which is planned from the

basic and party chapter levels up and by party members. It is time for the party to look back and to assume leadership over building its reserve force as an urgent matter in the entire party-building task.

On the basis of the actual work in the Youth Union and the youth movement, we have found that the "regrettable things" that were shown in the behavior of youth union cadres were still numerous. These things include the tendencies to talk about but not to do things, or to do easy but not difficult things. In March this year, the 2nd Plenum of the HCMCYU Central Committee decided to launch a campaign to build and consolidate youth union organizations and to improve the quality of youth union members. Only 4 months later did Hanoi hold a conference of the Municipal Youth Union Committee to act on that resolution. A leading cadre of this committee told us that "preparations are being made to have a seminar by the end of this year." It probably would take a year for that resolution of the Youth Union Central Committee to reach the youth union installations in Hanoi. This is a delay caused by the work behavior of youth union cadres.

MILITARY

Lack of Democracy in the Army Reported 42090006 Hanoi QUAN DOI NHAN DAN in Vietnamese 1 Aug 88, pp 1, 4

[Article by Vuong Chat: "About Achieving Democracy in the Army"]

[Excerpts]—Whenever we talk about the Army, we come to think instantly about its strict discipline and the rock-solid concept of compliance. Such an obedience is evident because the Army cannot thrive on disorder or lack of discipline; what is worth mentioning here, however, is a tendency to use this as an excuse for preaching unilaterally that "in the Army, superiors are made to issue orders and inferiors are made to execute them,"—at once and with no questions asked. [passage omitted]

A rather widespread situation in basic units is that cadres have shown stark contempt for the rank and file. Investigations at 61 companies indicate that 50 percent of company cadres and 98 percent of platoon cadres believe that today's soldiers are passive, refusing to budge unless being prodded. In the opinion of these cadres, achievements have originated from coercion and stimulation since the young generation has no ideals and, as a result, the best managerial measures is to shout aloud, beat up and punish. In many units, combatants are denied the right to equality and democratic debate (in the full sense of that term).

Bureaucratism, militarism, and lack of democracy at the grassroots level are rather overwhelming. Inquiries at a weak battalion shows that 100 percent of platoon cadres and 68 percent of company cadres have hit, reprimanded and humiliated combatants. No remarkable changes

have been noted following Stage I of the great movement to achieve democracy in the Army. In a rather large number of units, cadres continue to give combatants a hard time, hurting their dignity and causing serious consequences.

Asked about fostering grassroots democracy, many combatants said: "In the Army, we only experienced harshness and tenseness, constantly urged to receive orders with no chance to offer input." At a motorized infantry unit, addressing the world situation a political commissar misrepresented the U.S. SDI program. A combatant who holds a college degree, volunteered to clarify only to be accused later of treating cadres with arrogance and disdain. Meetings presumably held in the name of democracy were just a formality, during which combatant input was interrupted by explanations and denials from cadres. Such meetings were merely designed to spread one-way information. Youth League meetings at the basic level have criticized leaders and commanders for taking part only to sermonize and not to listen.

These incidents have marred not only basic units, but also—and in a somewhat widespread manner—higher circles—a fact worth speaking of because, to some extent, grassroots weaknesses stem from, and are greatly influenced by, those in the saddle. Following the Sixth Party Congress, a "political days" campaign was launched by the Army with leading officials and military commanders going into the basic level to talk directly with the masses. It turned out that these dialogues were held for form's sake. "Democracy" was nothing more than a slogan, translating at times into "fashionable" rhetoric but not into concrete and pragmatic deeds. It should be admitted that high-ranking officers still hold on to paternalistic tendencies. A major-general has signed an arrest warrant in violation of the law, arguing that as commander, the unit's foremost officer, he was granted discretionary power over his subordinates. Likewise, that belief has regulated the way in which people's ideas are received. The value of truth is determined by military ranks. Suggestions voiced by a subaltern are prone to being disregarded, even refuted on the spot. But if they are put forward, or simply conveyed indirectly, by a superior echelon, they will be treated as military orders requiring instant implementation. The following story is a case in point. During the struggle against the destructive air war of American pirates, Captain Q, on-duty officer at an organ, told a daily meeting marking the end of his shift: "This morning, after hearing an AFP newscast contending that the American plane downed in Hung Yen was not a militia job because no rifle bullet marks were found, Comrade D suggests that our department prepare articles and photographs for publication to counter that distortion." Guided by the mistaken thought that the idea came from Major D (same name but different person), deputy chief, both the colonel department chief and the lieutenant-colonel bureau chief replied: "There is no need for a denial since by nature the enemy is bent on distorting facts. We cannot afford to give the lies to trifles." Captain Q, the officer on duty,

then rectified that the idea originated instead from another D, a superior officer. The meeting abruptly came to an end and the colonel department chief scrambled to instruct N to write a commentary, posthaste, and K to go to the place where the plane was downed to photograph a wreckage bearing rifle bullet marks. And Captain Q was asked to call QUAN DOI NHAN DAN, telling them to get ready to publish a denial the following day. More than 20 years have elapsed since that between-shift meeting, but rather than vanishing into the past the notion that "superior echelons are always right" still prevails in our Army. Whenever I thought about that feudal "monopoly on truth," the between-shift meeting flashed across my memory. The more inferior echelons are disdained, the more the top brass is glorified.

Clearly, the lack of democracy in the Army is not only a behavioral problem but is also a byproduct of erroneous and backward views. It has taken on various forms depending on circumstances.

Party activities also are mired in a lack of equality and democracy. At a party chapter meeting, the secretary is at the helm if he wears the highest grade; otherwise, affected by an inferiority complex, he is reduced to the role of a marionette, spending time delivering reports to and seeking advice from his superiors. The highest ranking officer is considered the party chapter "honcho." Seeking approval for a draft—a cadre at an organ recalled—Colonel H found it was full of red-penciled question marks. After listening to the colonel's explanation, the unit chief took exception to "sloppy writing" and the "careless use of words." In fact, Colonel H had taken care to copy in part—but with no attribution—from party and state documents. Guided by self-respect and a sense of responsibility, the colonel was compelled to cite legal views and documents in support of his draft. But he was interrupted by the chief with an angry stare and a rebuke in a language that reflected the "monopoly on truth": "You come here to solicit my advice and not to explain." This is an example on the confusion between democracy and military orders, with no line drawn between when democracy should be observed and when orders should be given. It goes without saying that compliance with military orders must be as solid as rock. In special war circumstances, a victory or defeat sometimes hangs upon a very short period of time. To take advantage of that opportunity, a commander must display strong resolve and issue orders promptly. And, to a man, lower echelons must act in concert in line with these orders. As a matter of fact, this has brought about achievements and victories. It should be understood, however, that military orders are not always an "invincible sword" which can be used anytime. This is not to mention instances of extreme aberration with superior echelons using orders to make subordinates hold their tongues after failing to persuade them.

In my judgment, the above facts about intra-Army relationships must be seen as negative problems which should be solved in the spirit of fostering the right to

ownership of the masses and of implementing the motto by which "the people are entitled to know, discuss, work and control." To claim ownership without achieving democracy is nonsense, therefore making it impossible to refine social relationships.

ECONOMIC

Directive on Fulfilling 1988 Plan, Drafting 1989 Plan

42090012 Hanoi TAP CHI KE HOACH HOA
in Vietnamese Jun 88 pp 1-3, 24

[Directive No. 192-CT, dated 21 Jun 88, of the Chairman of the Council of Ministers]

[Text] I. On the 1988 State Plan

In recent months, many difficulties have been encountered in the economic-social situation, especially in the sphere of distribution and circulation. Although the sectors, localities, and basic units have made many all-out efforts to overcome difficulties, because of the extreme grain, foreign exchange, and budgetary imbalances, and because guidance and management are still beset with many deficiencies, discipline is not strict, and the promulgation of official plans is still slow, state plan fulfillment has fallen short.

To promote the fulfillment of the 1988 state plan, in order to, under all circumstances, endeavor to attain the principal norms of the plan, especially the production of grain, the sectors and localities must urgently implement Resolution 11 of the Political Bureau regarding opposition to inflation, and the conclusion of the Political Bureau plenum on the 1988 budget, and concentrate on resolving the following urgent problems:

With regard to grain, harvest the winter-spring crop in the north and the summer-fall crop in the south, step up the collection of agricultural taxes, purchase grain according to economic contracts and at negotiated prices in a timely manner, ensure the material conditions for 10th month season production, and prepare for the 1988-1989 winter-spring season.

The Ministry of Agriculture and Food Industry must coordinate with the Ministry of Foreign Economic Affairs and the Ministry of Communications and Transportation in transporting to our country the remaining quantities of nitrogenous fertilizer called for by the 1988 plan (including the supplementary amount), and in discussing with the Soviet Union the supplying in advance of the nitrogenous fertilizer called for by the 1989 plan for the coming winter-spring season. It is necessary to strengthen oversight of the task of supplying fertilizer to avoid losses and supply it in correct accordance with the plan norm and on schedule in each area.

The Ministry of Foreign Economic Affairs and the Ministry of Agriculture and Food Industry must promote the signing of contracts and immediately import the various kinds of insecticides and herbicides.

The Ministry of Water Conservancy, the Ministry of Agriculture and Food Industry, and the Ministry of Energy must coordinate closely in supplying pumps, POL, and electricity to fight flooding and drought. Especially, there must be a meticulous plan to fight storms and floods in coming months.

With regard to the production of consumer goods, the Ministry of Supply and the ministries involved in supplying materials are responsible for making up for the shortages of materials during the first months of the year, and for doing a good job of organizing the shipment of goods from Eastern Europe to serve production in a timely manner.

The Ministry of Foreign Economic Affairs must, along with the State Planning Commission and the Foreign Trade Bank, meet the foreign exchange needs of the plan for the production of consumer goods.

Based on the production norms that have been assigned, the ministries and localities must closely guide the production installations in delivering sufficient products to the commercial sector. Those products must be sold promptly. It is absolutely forbidden to "hold onto goods and wait for prices to rise," or "hold back goods for internal distribution."

With regard to exports, all sectors and localities must use all goods to fulfill commitments to the Soviet Union and the other socialist countries. If that is to be accomplished, the state installations must deliver the full amounts of export goods called for by the plan norms. With regard to export goods in the collective and individual economic sectors, the state must provide sufficient materials, goods, and cash for state purchasing. It is necessary to strictly enforce price discipline and eliminate the increasing of prices in competing in buying export goods, which forces prices up. The Ministry of Foreign Economic Relations must closely examine the issuing of import permits, in the spirit of directive No. 182-CT, dated 14 June 1988, of the Chairman of the Council of Ministers, regarding a number of urgent export-import problems.

With regard to capital construction, due to budgetary difficulties investment capital must be reduced and will not be as great as at the beginning of the year. After determining the 1988 state budget and organizing the control of capital construction investment in accordance with Directive No. 191-CT, dated 21 June 1988, of the Chairman of the Council of Ministers, the State Planning Commission must discuss with the ministries and localities the redistribution of investment capital, concentrate on the key state projects, and rearrange the projects according to investment capabilities. In general, new

projects should not be started the projects to be delayed should be clearly determined, and specific steps must be taken to meticulously organize the task of protecting and maintaining materials and equipment, and not allow losses or damage.

Fully implement economy measures and ensure the effectiveness of production and commerce. The ministries, general departments, and localities must closely guide the renovation of management by the basic units in order to reduce the level of use of materials and energy, reduce production expenses, and lower costs. The materials sector must ensure the timely supplying of materials for production, avoid shipping them via circuitous routes, avoid losses, supply them in accordance with prices set by the state, and eliminate all "negative expenses." Especially, it is necessary to, by means of all measures and forms, mobilize all warehoused materials to serve production.

II. On Drafting the 1989 Economic-Social Plan

The present difficulties and imbalances regarding grain, foreign exchange, and the budget will leave behind for the 1989 plan many serious consequences and responsibilities.

The 1989 state plan must incorporate the direction, missions, and principal goals of the 1988-1990 3-year period which were set by the fourth plenum of the Central Committee, and must fully manifest the spirit of Resolution 11 of the Political Bureau on fighting inflation and the conclusion of the Political Bureau plenum on the state budget.

In drafting the plan it is necessary to pay special attention to the following major matters:

Giving priority with regard to material conditions to the principal economic goals, especially the production of grain, resolutely avoiding dispersion and lack of emphasis, and regularly reviewing the economic-technical norms.

Tying in material plans with value plans and forming the over-all balances of the macro-economy, as well as of each sector, echelon, and product.

Making the productivity, quality, and effectiveness of production and commerce the yardsticks for measuring the drafting of plans. Resolutely reordering production along the lines of concentrating even more on the essential goals, especially those that bring about economic effectiveness most rapidly. For the materials and goods it sells, the state must purchase the full amounts of products called for by the economic contracts, at the full value.

The drafting of the 1989 plan must be tied in with the implementation of the three economic programs, and must be balanced with all conditions for fulfilling the plan.

The state's ability to balance materials, capital, foreign exchange, etc., are still limited. The potential of the sectors, echelons, and basic units must be brought into play so that they can work with the state in seeking all ways to achieve the principal balances and the plan goals that cannot be delayed.

III. On Renovating Planning

In 1989, the renovation of planning must be oriented toward the following primary contents:

1. Perfecting the renovation contents that were confirmed and begun to be implemented in 1988, and rapidly overcoming the deficiencies and irrationalities of the plan norms.

2. Achieve a rational division of labor in plan balancing among the sectors and echelons, in order to develop all capabilities of the economy. The central echelon must fully grasp the principal material and value balances that are related to the national economy as a whole. The general corporations must directly guide the economic units directly under them and the local people's committees in drafting sector plans by the basic units, especially the key ones. With regard to some products (or projects), state contracting and goods ordering should be instituted instead of the direct assigning of legal norms. The production and commercial units must be guided in signing preliminary economic contracts after guidance figures have been issued, and in signing official contracts after the plan has been approved.

The role of the local people's committees must be heightened in drafting economic-social plans on a territorial basis, and attention must be paid to production plans, plans to ensure the material and moral living conditions of the population, plans to build the infrastructure, and plans regarding budgetary and cash income and expenditures, in accordance with the state management regulations. The people's committees must coordinate with the central sectors in drafting production and commercial plans, moving materials and goods, and guiding the signing of contracts between the state economic organizations and the cooperatives and productive collectives.

The most important factor is drafting basic-level plans and bringing out the initiative and creativity of the basic level, by means of closely combining responsibility with rights and ensuring the legitimate interests of the workers, the collectives, and the state.

3. Pay attention to the value balances and increase the efficiency and effectiveness of macromanagement. The State Planning Commission, along with the Ministry of

Finance and the State Bank, must draft and submit for approval by the Council of Ministers, such combined value norms as total social product and national income, the money-goods balance, and balances regarding the budget, investment capital, foreign exchange, credit and cash, and monetary income and expenditures. The value norms are drafted and assigned simultaneously with the material norms.

In accordance with the above contents, the Chairman of the Council of Ministers directly assigns legal norms regarding a number of key products and construction projects and some aspects of budgetary income and outgo. He authorizes the Director of the State Planning Commission to assign norms regarding a number of products relevant to many sectors and localities and assigns to the ministers, the general department heads, and the chairmen of the provincial and municipal people's committees the assigning of legal norms regarding a number of products and construction projects under the management of the sectors and localities. The legal norms of the echelons are restricted to the sphere of the approved lists. The tendency to assign legal norms willy-nilly must be resisted. The goods-money relationship and the market relationship must be used correctly in planning.

4. Establish order and discipline in planning.

The principal economic-social activities and the materials, goods, and capital sources must be reflected in the plans of sectors, echelons, and basic units by means of appropriate forms.

All legal norms must be supported by the principal material conditions. Only the echelon assigning legal norms may adjust those norms. The other organizations may not arbitrarily change the legal norms or adjust the materials or capital funds called for by the norms. If the executing echelon has an opinion regarding a legal norm, it must make a recommendation to the echelon promulgating it, and the echelon promulgating the legal norm must respond within 20 days. As for temporary loans and the supplying in advance of materials and capital in the process of managing plan fulfillment, the ministries, general departments, and local people's committees take the initiative in discussing and reaching agreement with one another.

Economic contracts, the bases of the plan norms, must be signed promptly, carried out strictly, and executed fairly. All violations must be dealt with strictly.

The ministers, general department heads, and chairmen of provincial and municipal people's committees must submit their draft plans in correct accordance with the stipulated contents and deadlines. Ministries and localities which do not submit draft plans by the deadline will be held responsible for any lateness of their sector or local plan.

The ministers, general department heads, and chairman of local people's committees who evaluate the results of plan fulfillment by the units directly under them are responsible for guiding the balancing of materials, goods, and capital within the sphere of their control. Units which do not balance them on time will temporarily not be supplied additional materials, goods, and capital.

IV. On Organizing Implementations

The State Planning Commission must guide the sectors and localities in drafting and synthesizing plans in the spirit of this directive to ensure that the 1989 state plan is synthesized from the basic level up in accordance with a unified method.

The central sector must urgently study the promulgation of new policies to serve the drafting of the 1989 plan. First of all, it must study the following important matters:

Rearranging the exporting-importing organization and mechanism in the spirit of Directive No. 182-CT, dated 14 June 1988, of the Chairman of the Council of Ministers on a number of urgent problems in exporting-importing (the Ministry of Foreign Economic Affairs and the sectors and localities with export-import organizations).

The national financial policy and budgetary decentralization (Ministry of Finance).

Reorganizing the system of materials supply with regard to materials management (Ministry of Supply).

Managing goods and the market (Ministry of Home Trade).

The price setting and price management mechanism (State Planning Commission).

The cash and credit management mechanism (the State Bank).

The mechanism for managing foreign exchange and the various kinds of exchange rates, in the spirit of the above-mentioned Directive No. 182 (the Ministry of Foreign Economic Relations, the Ministry of Finance, and the State Bank).

Supplementing and amending a number of features of the tax policies (the Ministry of Finance).

All of those projects must be submitted to the Standing Committee of the Council of Ministers for approval and promulgation prior to 30 July 1988.

The sectors and localities must clearly understand that drafting plans at the basic level and organizing contracting and goods ordering are direct responsibilities of each

sector and locality. Therefore, they must promptly disseminate to the basic units directly under them the guiding thoughts of the state plan and guide the basic units in drafting plans and signing contracts. On that basis, the plans of the basic units must be synthesized to form the plans of the sectors and localities. In order to fulfill that responsibility, the chairmen of the provincial and municipal people's committees, the ministers, and the general department heads must strengthen the role of the planning organ, especially with regard to work quality.

In order to submit the 1989 draft plan to the leadership organs of the party and state, the basic units are requested to urgently their plans, sign preliminary contracts, and report to the leadership of the ministries, general departments, and provincial and municipal people's committees. The ministries and provinces must ensure that plans are synthesized and that draft plans are submitted in a timely manner to the Council of Ministers, the State Planning Commission, and the Ministry of Finance. The State Planning Commission and the Ministry of Finance must synthesize and adjust the major balances of the national economy, and draft the state draft plans and state budgets, so that the Council of Ministers can approve them and submit them to the coming Sixth Plenum of the Party Central Committee.

Nghia Binh, Estonia Sign Cooperation Protocol
BK1711153888 Hanoi VNA in English
1445 GMT 17 Nov 88

[Text] Hanoi VNA November 17—A protocol on establishing sisterhood and economic cooperation was recently signed between the central coastal province of Nghia Binh and the Estonian Soviet Socialist Republic.

Under the protocol, Nghia Binh will cooperate with Estonian partners in making garments, leather shoes, furniture, building materials, fishery, food canning, and wood processing. They will exchange farm produce, coffee and consumer goods.

The agreement was reached during a recent visit to Nghia Binh by a high-level delegation of the Estonian Republic.

On this occasion, an exhibition on economic and technical achievements of Estonia was held in Qui Nhon. An Estonian art troupe paid a performance tour of the province.

Private Economy Regulations Revised
BK2011095888 Hanoi NHAN DAN in Vietnamese
5 Oct 88 p 2

[Text] On 24 Sep 1988 the Council of Ministers issued Decree No. 146-HDBT on amending and revising certain points in those regulations which were promulgated together with the Council of Ministers 9 March 1988

Decrees Nos. 27 and 28. These two later decrees were carried by NHAN DAN on 27 and 28 March 1988. Following are a number of revised points:

I. The regulations which were promulgated together with the Council of Ministers Decree No.27 on the policy toward individual and private economies dealing in industrial production, industrial services, construction, and transportation.

1. Adding the following passage to the final part of Point 1, Article 2: may hire additional seasonal laborers.

2. Point 3 (private enterprises) of Article 2 is revised and replaced by the following new one:

New Point 3: Capitalist industrial enterprises (also known as private enterprises) are a unit in which nationalist bourgeois pool their capital to organize production and business under various forms such as private enterprises, private firms, limited partnerships, or privately-owned trust corporations whose size is unlimited.

These enterprises may hire laborers in accordance with their production and technical requirements.

3. Replace Article 3 with the following new article:

New Article 3: On a voluntary basis and without being subjected to any coercion, individually- and private-run economic units have the right to ask for their own dissolution or for being transformed into collective or state-private economic units. These units are totally free to decide on whether to participate in such forms as production cooperation, joint venture, or economic integration with other economic units.

If necessary, these economic units have the right to volunteer to join with state-run establishments in expanding production, in carrying out the division of labor, and in achieving production specialization. They can establish various forms of production cooperation rallying economic units belonging to a single sector or to various different sectors such as a production service center, a service corporation, or an establishment that provides supplies and sale service for its member units, and so forth.

4. Add the following sentence to the end of Article 7: These economic units shall not be assigned with legal norms.

5. Add the following passage to the end of Article 22: The state shall adopt an appropriate promotion and award policy toward talented artists (such as presenting them with the "Outstanding People's Artist" title or the "Pair of Golden Hands" award). The State Emulation and Award Institute shall either submit its recommendations for awards to the Council of Ministers for approval or ask the latter to recommend with the Council of State for award in accordance with this decree.

6. In Article 25, the following passage shall be deleted: The maximum number of laborers hired for each branch or trade must be determined precisely and in a way that suits the local conditions by the people's committees of those provinces, cities, and special zones directly subordinate to the central government.

7. Replace Article 28 with the following new one:

New Article 28: Ministry of Labor, War Invalids, and Social Welfare, Ministry of Finance, and the Vietnam Confederation of Trade Unions shall study a social security policy and then submit the results to the Council of Ministers for decision. They must arrange and manage social security for workers and staff personnel of these economic units.

Laborers belonging to all economic components are entitled to public services common to the entire people.

II. The regulations which were promulgated together with Decree No.28-HDBT on the policy toward collectively-run economic units engaged in industrial production and in industrial, construction, and transportation services.

1. Replace Article 5 with the following new article:

New Article 5: Collective economy, organized according to voluntary, democratic, and mutually-beneficial principles, is an economy in which the laboring people pool their money and energy to carry out production and business and conducting services suitable to the capabilities and demands of society.

All collectively-run economic units, old or new, have the right to choose one of the following two main organizational forms and to ask for dissolution, for change of their size or organizational format to suit the situation free on any coercion:

a. **Cooperative:** Production means and other collectively-owned assets make up a major part of the gross assets of a cooperative and may develop with every passing day through the accumulation of funds earmarked from profits. In addition, the cooperative may call for capital shares from cooperative members or from people outside the cooperative for increased production.

—The head of the cooperation and its administrative board shall be elected by a congress of cooperative members.

—Production and business shall be carried out according to the rules of the cooperative and the resolution of a cooperative members congress.

—Income of cooperative members shall be distributed according to labor and shares. The concrete rate of distribution shall be decided by a cooperative members congress.

—Shares of capital shall earn dividends as decided by a cooperative members congress.

b. **Cooperative team:** is a small-size collectively-run economic unit which has part of its production means and monetary assets collectively owned and which may develop with every passing day through the accumulation of funds earmarked from profits.

When detached from agricultural cooperatives, small-industry and handicraft production teams and units may form cooperative teams or cooperatives to deal in small-industry and handicraft production.

2. Replace Article 6 with the following new article:

New Article 6: The state shall encourage collectively-run economic units to develop from low to high forms on the basis of developing the production force, perfecting socialist production relations, and ensuring ever-higher production and business results. Collectively-run economic units are totally free to decide on whether to participate in such forms as production cooperation, joint venture, and economic integration with other economic units.

If necessary, collectively-run economic units have the right to volunteer to associate themselves with state firms to broaden production, perform the division of labor, and carry out production specialization. They can establish various forms of production cooperation rallying economic units of a single sector or of many sectors belonging to different economic components such as a production service center, a service corporations, or an establishment that provides supplies or sale services to member units, and so forth.

3. Add the following passage to the end of Article 9: The economic units shall not be assigned with legal norms.

4. Add the following passage to the end of Article 19: Those cooperatives which fully meet conditions set by the state may establish direct relations with foreign economic organizations.

The Ministry of Foreign Economic Relations shall substantiate this clause and guide the implementation.

5. Replace Article 24 with the following new article:

New Article 24: After fulfilling their tax payment duty, collectively-run economic units shall decide by themselves on the distribution and use of their income in accordance with their rules. Attention must be paid to achieving capital accumulation in order to expand production, and carry out the principle of distribution according to labor while reserving an appropriate portion for distribution to shareholders.

6. Add the following passage to the end of Article 28: The state shall adopt appropriate incentive and award policy toward talented artists (such as presenting them with the "Outstanding Artist" title and the "Pair of Golden Hands" award). The State Emulation and Award Institute shall either submit its recommendations for award to the Council of Ministers for approval or ask the latter to recommend with the Council of State for award in accordance with this decree.

7. Add the following passage to the end of Article 33: The Ministry of War Invalids and Social Welfare, the Ministry of Finance, the Vietnam Confederation of Trade Unions shall study a social security policy and then submit the results to the Council of Ministers for decision. They must arrange and manage social security for workers and staff personnel of those industrial production units outside the state sector.

Capital Shortage Impedes Production
42090028 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 3 Aug 88 pp 1, 2

[Article by Dinh Khuyen: "Capital, A Headache for Managers"]

[Text] "The right of production installations to take the initiative must be guaranteed"—when this statement was heard for the first time, everyone, especially directors and economic managers, was enthusiastic. But as the days and months went by, these words were on everyone's lips and almost became a "joke" because production installations met with more restrictions instead of being allowed to exercise their right. These restrictions include the lack of floating capital, which is the cause of the managers' headache.

It is estimated that by the end of June, corporations and enterprises in the city needed a capital of about 80 billion dong to continue their production and commercial activities. To fulfill the plan norm for this year, even if they can rotate their capital four times, the 10 textile enterprises subordinate to the central level still will need 25 billion dong, while only less than 30 percent of their requirement can be supplied by the start. Because the level-I commercial sector lacks capital, over 20 million packs of cigarettes and 700,000 liters of beer which had been produced still remain in warehouses. Merchandise stagnation and the enterprises' immobilized capital have further complicated the money-merchandise vicious circle, not to mention the fact that whenever the state fails to put its merchandise into circulation, smuggled and poor-quality goods will monopolize the market. At present, the capital of many units has "melted away" and many of them have been compelled to stop operating.

The party resolutions have mandated the need to shift our production system to the production of goods but our producers still lack capital! What is the cause of this state of affairs and how can this problem be solved?

According to Bui Van Long, director general of the Textile Enterprises Federation, there are four reasons for the current scarcity of capital among almost all production installations:

—Ever since the September 1985 currency change, the floating capital of production installations has decreased 10 times while the price of state-owned materials has shot up 10-fold. As a result, the capital deficit sustained by producers is 100 times worse.

—The subsequent policy of the state was to grant additional loans to enterprises but the recently adopted bank policy which recalls these capital loans by 30 June in order to implement new loan procedures, is unsettling for many installations.

—Usually, import materials make up 70-90 percent of the materials used to manufacture products. However, not all production expenses have been fully computed in the economic accounting process.

—Prices fluctuated quickly. Yet, when production installations sold their products, the price differential was not awarded to them but was instead "appropriated" by the financial sector.

In our opinion, it is possible to cite many other causes emanating from our bureaucratic centralist-state subsidy apparatus. For example, manufactured goods have to go through many stages before reaching the consumer; because a certain amount of capital is needed at each stage, the total capital involved in the transit increases manifold while the product quantity remains the same. Rigorous regulations on product pricing and selling have tied up the capital of many production installations, or because of our lack of a mechanism to insure the capital used in production and commerce, the capital generated by each rotation has dwindled in the recent past when prices soared quickly.

In addition to the lack of capital in general, the shortage of cash capital has proven more serious. Production installations in the city have managed to obtain cash for use in manufacturing over one-third of the consumer goods needed by the whole country. However, they have received only paper "checks" when delivering goods to provinces and agencies at various levels. We have not yet spoken of the discrepancy between the value of goods sent out by the city and that of materials received by it—a difference of tens of billions of dong. For the 2 years 1986, 87 and the first 6 months of this year, the central level still owes the city more than 6 billion dong of subsidies in the prices of goods supplied in fixed quantities to cadres, workers, and civil servants. Naturally, such a delayed remittance has affected the producers' life, especially the payment of salaries.

During a recent working session with the chairman of the Council of Ministers, the city proposed that the state bank provide more capital for the city, at least corresponding to the assigned 1988 production plan norm; that the city be refunded 50-70 percent of the cash capital included in the total value of small industry and handicraft products which were sold by the city to state agencies and for which payment was to be made by transfer of funds; and that sufficient cash capital be made available to increase the merchandise and commercial fund of the state commercial sector whose control of the market currently accounts for only a very small percentage, especially with regard to corporations and sectors that provide daily meals to laborers. The chairman of the Council of Ministers accepted these reasonable proposals and assigned the leading comrades from banking and financial sectors who attended that day's session to solve this problem urgently.

On the other hand, to meet the urgent need of production installations, the municipal standing party committee and the municipal people's committee held many discussions with the director general of the state bank on the implementation of feasible measures—such as expanding credit cooperatives and developing various forms of activity of the industrial and commercial bank, namely, issuing certificates of deposit, setting up additional branches to mobilize capital, experimentally signing bipartite cash payment contracts with other banks, and so on.

Along with the city's own efforts, if the above-mentioned problem-solving suggestions receive the central level's attention, production installations will hopefully suffer less of a headache about capital in the last months of this year. But as long as the word "if" is used in worldly affairs, uncertainty will remain. Even if these suggestions are 100-percent fulfilled—to remove the restrictions imposed on producers, it is necessary to remove their root cause which stems from an apparatus that has, on final analysis, been labeled "inept" by all managers.

Uncoordinated Business Causes Merchandise Stagnation
42090003 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 19 Aug 88 p 1

[Article by Vo Han Lam: "1 Billion 850 Million Dong Worth of Stagnant Merchandise, the Result of Business Uncoordination"]

[Text] "It is now really difficult to do business"—that is the current feeling of almost all managerial cadres and directors of production and commercial installations. Structural and pricing restrictions coupled with lack of capital and cash are among the many worries that beset production installations.

Long Wait for Price Approval

Nguyen Van Anh, director of the municipal Industrial Service, told us: "At present, the serious capital shortage afflicting the commercial sector at various levels has led to a situation in which it is impossible for production installations to sell their goods. Many of our enterprises have 'cried for help' by sending petitions to the municipal Industrial Service and the People's Committee."

In fact, during our visit to bicycle-producing installations subordinate to the municipal Motorcycle and Bicycle Enterprises Federation, we saw these vehicles stacked up in warehouses, meeting halls, lunchrooms, hallways, and work places. Lam Tu, director of the Cuu Long Bicycle Enterprise, told us that about 3,000 bicycles produced according to State Plan A are stagnating in the enterprise just because he has to wait for a price approval! Therefore, the enterprise cannot continue production according to this plan. Though the enterprise has received 75 percent of the amount of supplies and raw materials according to Plan A, only about 30-odd percent of the plan norm has been fulfilled. Through lack of working capital as well as money to pay the workers' salaries, the enterprise has had to borrow 140 million dong from the bank for use during the third quarter of 1988 though commercial agencies at various echelons still owe the enterprise about 100 million dong, while the value of its stagnant bicycles amounts to 150 million dong. Because there remain only over 4 months to carry out production, it will be difficult for the enterprise to fulfill the 1988 State Plan A (by producing about 14,000 more bicycles).

The Giai Phong and Huu Nghi Bicycle Enterprises are also overflowing with their own products so that their production activities are dwindling. The director of the Huu Nghi Bicycle Enterprise complained: "We have had a hard time 'hustling up' money to pay the workers' wages."

All the directors are wondering how long they will have to wait for price approval.

Large Budget Deficit

During our visit to the Saigon Brewery—a factory whose product has always exerted a strong "attraction" on the consumer—we found that the situation was not any brighter. Rows and rows of beer bottles were piled up in the open air, "braving" rain and shine. The sale of beer has been very slow since early July. Each day, only 50,000 to 60,000 liters (against the plan norm of 100,000 liters) of draft beer have been sold, while only about 50 percent of the total quantity of bottled beer can be sold. The stock in hand includes 0.5 to 0.6 million liters of beer worth over 700 million dong. For this reason, the brewery lacks empty beer bottles and cases which should otherwise have been retrieved to continue production. Consequently, each week the brewery has had to stop brewing beer for 2 or 3 days. As a matter of fact, during

the first 15 days of August 1988, for 6,553 man-days, it was necessary to switch from main production to minor jobs, which resulted in an output reduction of 1 million liters of bottled beer and 0.5 million liters of draft beer, and which led to a deficit of over 0.5 billion dong in state income.

One Working Day Then 2 Days-Off

Compared with the bicycle enterprises and the Saigon Brewery, production in the Saigon and Vinh Hoi Cigarette Factories has declined more dramatically due to the slow sale of their goods. From 21 May 1988 to date, workers in these two factories have been forced to "work 1 day and take 2 days off" though warehouses and garages are replete with supplies and raw materials of various kinds and though other production conditions are adequate. Because of product stagnation in the Saigon Cigarette Factory, the number of workers having to stop working while receiving 70 percent of their salaries amounted to over 37,000 man-days. In June and July 1988, the total output of the Saigon and Vinh Hoi Cigarette Factories was 18.2 and 19.1 million packs respectively but this was only equal to one-third of their normal production. Nevertheless, nearly 10 million cigarette packs worth over 1 billion dong are still stagnating in the warehouses of both factories. The first consequence is the fact that cigarette factory workers who were once considered high-income people in the city are now complaining bitterly that "this kind of salary will suffice only for 2 days' subsistence." Meanwhile, the state income to be derived from these two factories during the past 2 months suffers a loss of billions of dong.

How To Solve These Problems?

Decline in production is the consequence of product stagnation in storerooms, capital immobilization, and cash shortage. Is there any way to solve the product stagnation problem?

It is not difficult, witness the fact that products do not stagnate in the bicycle enterprises which have been assigned Plan B because these enterprises have been given the right to set the price of their product and sell it on their own. Thus, the Cuu Long Bicycle Enterprise has found it easy to sell all the 11,000 bicycles produced according to Plan B. Although the production situation is the same in cigarette factories throughout the country, Bui Van Tai affirmed: "We have proposed a number of measures to the high level and we will be able to improve this situation if given the right to sell our product on our own initiative." Ngac Van Giau, deputy director of the Saigon Brewery, said: "On the one hand, we have sent letters to agencies at various levels requesting them to solve the product stagnation problem. However, on the other hand, every day we still have to refuse to sell our product to those customers who are not entitled to buy according to high-level regulations."

Therefore, it can be said that the main courses of action must be to transfer to production installations the right to take the initiative in pricing and selling their products.

Policy Problems Obstruct Industrial Production

42090033 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Sep 88 pp 1, 2

[Article by Vo Han Lam: "Gap Between the Party's Resolution and Specific Policy; We Still Have No Financial Autonomy or Direct Contact With the Customer;" first two paragraphs are SAIGON GIAI PHONG introduction]

[Text] Editor's note: Since the Sixth National Party Congress, the Party Central Committee and Political Bureau have successively issued many "extremely open" resolutions aimed at liberating every available production strength, from the state-operated economic element to elements outside state operation in the fields of industrial production, agriculture, distribution and circulation, etc.

Nevertheless, substantiation of these resolutions into policy is still slow, so slow there is still no full understanding of the spirit of the resolution. This "soft" situation has created no small obstacle for the producer and for transforming resolutions into achievement. Following are the statements made by a number of basic units on this "softness" and obstruction.

We arrived at the Electromechanical Joint Enterprise during a period of product stagnation due to many obstacles in the mechanism, a difficult problem now existing in many primary level production units: laundry soap, bicycles, cigarettes, tape recorders, cameras, etc. Observed from the outside, the Electromechanical Joint Enterprise appears not to be threatened by this situation. Products are not overflowing from the building and corridors as in many other places although since the beginning of this year, the enterprise has produced more than 26,000 fans of all types.

Dissolving the Intermediate Level

We asked Director Nguyen Huu Loi, "Is it possible you have complete autonomy in the goods disposal step?"

He smiled crookedly, "How can there be autonomy with 'Mr.' Southern Metals-Bicycles-Motor Vehicles Corporation (Level 1) 'sitting' on top."

He explained the enterprise's 1988 production plan to us: 48,000 fans of all types for the state plan, including a consignment to Level 1 of 28,000 fans and to Level 2 (city) of 20,000 fans. An additional portion to be provided by the enterprise itself is 10,000 fans of all types. The enterprise has to this time delivered 15,000 fans to Level 2 but only 3,000 to Level 1 because of two reasons: Level 1 is short of capital, has no money to pay and there is not yet an agreement on the trade discount. During

1987, the trade discount to Level 1 was 8 percent of the retail price and 5.8 percent to Level 2. But this year, the domestic trade sector raised the trade discount to 11 percent for Level 1 with still no change in the discount for Level 2. Thus, in just the delivery of goods to the two different levels, the enterprise has lost 4.2 percent.

Additionally, the trade sector's formula of shipping and receiving has also created many difficulties for the enterprise: waiting until there are customers before receiving goods and conducting tripartite delivery at the enterprise. In this manner, the trade units have appropriated the warehouses and capital of the enterprise; and at times have even waited for payment from the customer before repaying the enterprise. Meanwhile, because of no direct contact with the customer, the enterprise does not understand his requirements and opinions on product quality. Many provinces and cities come to the enterprise to order goods but the enterprise must send them across to Level 1.

Therefore, Nguyen Huu Loi, although not wishing to annoy those in home trade, still boldly suggests that the Southern Metals-Bicycles-Motor Vehicles Corporation be dissolved so the enterprise can directly sign contracts with the customer. This is also a step in implementing Decision 217 of the Council of Ministers on the renovation of planning and socialist business accounting for state-operated enterprises: "The Ministry of Home Trade is studying for presentation to the Council of Ministers a draft proposal on eliminating forms of intermediate management in the trade system, creating conditions for the producer's products to swiftly reach the hands of the consumer, and reducing unnecessary losses and expenses."

Capital Rotation More Than 15 Times Annually: Impossible

Obstacles in the product disposal step have led to a situation in which the enterprise's shortage of operating capital becomes increasingly more serious. In the state plan, for the production of 48,000 fans, financial approval has been granted for issuing the enterprise 400 million dong in capital. To this time however, the enterprise has only received 50 million and when this is added to the independently acquired capital of 50 million, the enterprise is still short 300 million dong in liquid assets.

We asked, "Is it still possible to borrow capital from the bank?"

"Naturally," Loi replied, "But the bank also lacks funds. The enterprise can only borrow 40 million to 50 million dong a month. Meanwhile, for loss compensation and worker wages alone, the enterprise must expend 30 million to 35 million dong a month. This is not counting the times in which the enterprise must purchase hundreds of tons of material worth hundreds of millions of dong. The prices of iron, steel, silica plate, chemicals,

gasoline and oil, etc. have surged upward since the beginning of the year while the capital that is supplied and borrowed from the bank has only been a 'small drop.' So, how can the enterprise have financial autonomy? To achieve the planned commodity output value, the enterprise with such an amount of liquid assets must rotate its capital from 15 to 20 times during the year, something that is impossible in the machine sector. The stipulations of Central Committee Resolution 3 and Council of Ministers Decision 217 on the basic unit's right to 'be issued capital, borrow bank capital and be supplemented with capital when the state readjusts prices' is impossible in reality. Therefore, the enterprise is often forced to incur debts to the state budget and for enterprise worker wages (recently, 6 million dong was paid for June salaries with the consignment units still owed more than 20 million dong)."

Product Development Funds Insufficient To Resist Withering

According to Resolution 3 of the Party Central Committee and Decision 217 of the Council of Ministers, the enterprise has full authority to use its own capital to invest in production development. In reality however, the amount of money set aside for basic units is not much. Specifically: during 1987, the Electromechanical Joint Enterprise deposited more than 460 million dong in the state budget but the profits returned to the unit only amounted to 38 million dong. This amount of money was less than the trade discount but had to be divided into three funds, including only about 10 million dong for the production development fund. This amount was, as expressed by Director Nguyen Huu Loi, "Not enough to resist withering, speaking only of development investment. Therefore, one cannot feel strange when he sees increasingly greater numbers of trade units springing up while most of the factories are withering away."

Product Stagnation Adversely Affects Industry 42090032 Hanoi NHAN DAN in Vietnamese 23 Aug 88 p 2

[Article by Tran Hoang Kim, Statistics General Department: "Industrial Production and Product Stagnation"]

[Text] Beginning to carry out the 1988 plan, the industrial sector has renovated the management mechanism by implementing Decision 217-HDBT to expand the business production autonomy of state-operated enterprises and by initiating new policies in the development of economic elements outside the state area. Despite many difficulties, industrial production in general has continued to develop at a fairly rapid rate. The total output value during the first 7 months of 1988 increased by more than 7 percent over the same period of 1987. The production level of a number of primary industrial products during the first 6 months of the year increased over the same period last year: electric power by 8.4 percent, coal by 5.4 percent, rolled steel by 4.3 percent and cement by 6 percent. Because attention was given to

developing industrial products supporting the three major economic programs, relatively good results were attained. Primary units took the initiative in searching for supplies and raw materials for production. During the first 6 months of the year, the raw materials self-imported by Ho Chi Minh City through IMEXCO increased by 58 percent, through emigrant exchange by two times, and through joint business and enterprise by 25 to 30 percent over the first 6 months of last year. Enterprises of the Hanoi Industrial Service alone acquired more than 1,500 tons of coal themselves to develop the production of consumer and export goods. During the first 6 months of the year, 70 percent of the products supporting the three economic programs had a production level greater than the same period last year.

An obstacle has appeared in industrial production that, although seemingly irrational, is a reality: while the consumer lacks commodities, serious imbalances are occurring in the goods-money relationship, and the state is encountering difficulties in sources of revenue to partially compensate for expenditures on production and life, there is a great stagnation in goods. At the present time, nearly all ministries, sectors and local areas have industrial products stored in warehouses at the production location: nearly 300,000 tons of coal in the mining fields with nearly 300,000 tons in the supply fields, 14 million packs of cigarettes, 700,000 liters of wine and 62,000 liters of bottled beer. Hanoi industrial stagnation amounts to 20,000 bicycles, 30,000 table clocks, 600,000 brushes and 2 million consumer pottery products. Ha Nam Ninh has accumulated 160 million dong in products in the bicycle sector, and more than 400,000 meters of cloth at the Dan Sinh Textile Enterprise. Goods worth 1 billion dong lie stagnant in the industrial enterprises of Thuan Hai. Ho Chi Minh City has 5 million meters of cloth and many other products worth a billion dong.

An extremely rapid increase in this situation of industrial goods stagnation has occurred during the past few months. The reasons are many but are concentrated in the following salient features:

One is that because of price increases and the fact that these increases have not been stabilized for a period of time or implemented in a synchronized manner, the equilibrium in production expenses has been destroyed. It was for this very reason that the Vinh Phu Paper Mill changed the price of paper five times during the period from April to July 1988 from more than 400,000 dong per ton to nearly 1 million dong per ton. Because expenses were high, the selling price was also raised to equal the investment made. Many products are priced too high, the market will not accept them and customers who signed consumption contracts must now reject them. Also due to the rapid increase in prices, many primary units are suffering from a serious shortage of liquid assets. For example: 19 enterprises of the Dong Nai Industrial Service are short 2.6 billion dong, and enterprises of the Hanoi Industrial Service are short 16

billion dong. Consequently, the enterprises are unable to meet the product consumption contracts of each other. Additionally, a number of enterprises have withheld goods from the market to wait for a price increase because the present price will probably not compensate for expenses to achieve reproduction during the next cycle. In a number of enterprises, the delivery of products in accordance with plan norms is extremely low. Meanwhile, products sold at a price to ensure business are not being bought because the price is too high.

Second is that due to the burst in production, especially in local areas, many products are of extremely poor quality. During the first 6 months of the year, quality inspection organizations of the central government and local areas handled more than a hundred quality standard violations. Many basic units have lacked responsibility toward the consumer, pursued quantity with simple profits and losses, and produced poor products. The P300 cement produced by Haiphong during February and March 1988 attained only a P250 level. The Southern Woven Cloth Corporation of the Ministry of Home Trade, because of poor shipping and receiving inspection, allowed several lots not meeting quality requirements to enter the circulation market. A number of products have at times left the shop in large quantities but of a lower quality than 1987 such as frozen pork, frozen vegetables and fruit, livestock feed, insecticides and automated equipment. A number of others of fluctuating and unstable quality were handled during the past 6 months such as wine, beer, soft drinks, cigarettes, bicycles and bicycle parts, pastries, sugar, matches, cloth, rice, cement, fertilizer and soap.

Third is that while basic units have dynamically shifted activities in accordance with the new mechanism, dismantlement of the macrocosmic management mechanism has been slow. This is an extremely great unresolved problem at the present time in handling the economy of our country in general and in industry in particular. Basic units must constantly wait, greatly restricting the effect of new policies of the party and state in industrial production. While calling for the renovation of planning, plans are still assigned in the old way, are still as slow as every other year, and there is still a lack of uniformity between production, finance, materials and distribution. Some enterprises have been assigned production norms but don't know where to conduct distribution. Pricing appears confused, uncoordinated and constantly backward. The need for paper to prepare for the new school year is extremely great but neither the production nor circulation locations can sell paper because they are waiting for the price. The Vinh Phu Paper Mill has only received the paper price notices for April and May and is still waiting for the June and July prices. Financial and banking procedures in general are slow in renovation and are primarily aimed only at increasing sources of revenue and reducing expenditures, not truly and actively affecting production. Due to such activity, the Lam Thao Superphosphate Plant presently has 30,000 tons of phosphate fertilizer in storage while

the workers lack wages and provinces in the south have been supplied with only about 40 percent of the fifth-month and summer-fall crop plans. The Ha Nam Ninh salt industry in 6 months produced nearly 40,000 tons of salt but still has 33,000 tons stockpiled that it has been unable to distribute.

The objective of the legitimate producer is to support consumption (consumption for production and for life). Consumption is the yardstick of production effectiveness. Consequently, he cannot produce at any price and at any quality on the condition only of great quantity. Renovation of the operations of upper level management agencies must also use production promotion as a final result. Once the procedures and regulations promulgated for production are obstructed, continued thought and correction is surely necessary. Only with the dynamic new thinking of all basic units, echelons and sectors can production be developed. The product stagnation in industry will become more serious in the future and will greatly and adversely affect achievement of the 1988 plan if the producer and manager do not promptly change their ways of thinking and working.

On Coal Production

42090014a Hanoi TAP CHI NANG LUONG
in Vietnamese No 2, Mar-Apr 88 pp 1-3, 12

[Article by Tran Anh Vinh, MS, first vice minister, Ministry of Energy: "Some Experiences in Organizing 1987 Coal Sector Production"]

[Excerpts] At the end of 1986, the coal sector had mined 6.25 million tons of commercial coal, attained 19.8 cubic meters of stripped overburden, and attained 25 kilometers of preparatory shaft. Included herein are corporations and enterprises directly managed by the Ministry of Mining and Coal (now the Ministry of Energy) which completed 5.95 million tons of commercial coal (equivalent to 7.6 million tons of raw coal), a 4 percent increase over the plan for the year and equal to 110 percent of the 1985 coal output.

This was the basis for carrying out the 1987 plan to complete 6.8 million tons of coal. Included herein was the ministry-managed portion which accomplished over 6.3 million tons of coal (equivalent to 7.6 million tons of raw coal), a 4 percent increase over the plan for the year and a 7 percent increase compared with 1986. Overburden stripped was 24.3 million cubic meters, achieving 100.6 percent of the plan for the year and a 122 percent increase compared with 1986. Meters of preparatory shaft were 30 kilometers. This was the highest year ever in terms of norms.

Why has the coal sector had the forgoing changes? Through reality it is possible to derive a number of experiences which follow:

1. Resolving the Connection Between Production Forces and Production Relations. Synchronizing the Production Line and Tapping Existing Capabilities in Depth

Coal output was not increased in past years because mining laws were violated: extracting coal which did not correspond to stripping overburden in strip mining and failing to finish plans to excavate preparatory shafts in underground mining. During the 5 years from 1976 to 1980, 27 million tons of coal were extracted and 94 million cubic meters of overburden were stripped. During the 5 years from 1981 to 1985, 27 million tons of coal were also extracted but only 80 million cubic meters of overburden were stripped. Thus, during the 5 years from 1986 to 1990, to get 37 million tons of coal we must strip 134 million cubic meters of overburden, 167 percent more than the previous 5 years.

A noteworthy constraint on coal production efforts is transportation and sorting. Railroads have not undergone major repair for many years, so the quality of the tracks is very poor. Cars overturn regularly and cannot transport all the coal, so additional vehicles have to be marshaled to complete the plan. Consequently, with the shortage of transportation means, the overburden output drops annually.

In 1986, we strengthened rail lines at the Vang Danh mine, Dien Cong port, Hon Gai, Ha Tu, and rail lines in the Cam Pha area.

Now the Vang Danh-Dien Cong rail line not only ensures transport of all the Vang Danh mine's output, it also transports lumber and overburden. It has taken workers to work since the fourth quarter of 1987, annually saving hundreds of tons of fuel and dozens of vehicles.

The Ha Tu-Hon Gai rail line was strengthened in 1987 and transports all the coal of the Ha Tu and Tan Lap mines. Preparations are now under way to take workers to work in 1988.

Rail lines in the Cam Pha area, after strengthening, have transported 3,500 to 4,000 tons of coal (double 1986) daily from the Cao Son mine to Cua Ong. But still to be resolved are many problems to meet the need to transport all the coal output from this area, 5 million tons of raw coal annually.

The sorting of coal is also deficient. Quality was poor in 1986, despite exceeding the plan in output. Thus, the value of gross output was only 93 percent of the plan. Although the quality of lump coal and slack was better in 1987, it still did not meet the needs of domestic and export consumer households. Investment in sorting is for the purpose of resolving the quality of coal; after several years it can pay back dividends. We recently improved the Cua Ong sorting building I and repaired a number of sorters in Cua Ong, Hong Gai, Vang Danh, and Mao Khe. Thanks to this, the quality of coal has gotten better.

The raw coal and lump coal sorting and grading sieve at Cua Ong Bridge 20, which was built at the end of 1986, will permit us to reduce sorting at mines in coming years. Mine sorting, although slack is obtained, wastes lump coal excessively, and many vehicles and considerable fuel are used in this work.

2. There Will Be High Labor Productivity If Distribution According to Labor, Including Wages, Is Handled Correctly

Human labor brings productivity and profits but wages are crucial. In 1986, the state source of wages was not enough to ensure reproduction of labor power for miners. We have set forth the production scenario to exceed the plan and to save part of the income by so doing to support daily life. This scenario has been approved by the state. This is the favorable condition for stimulating improvement in the productivity of equipment, machinery, work faces, etc. (during the year many teams and units have gross incomes more than triple the wages the state gives). As a result, during the last 6 months of 1986, 3.4 million tons of coal were attained (compared with the first 6 months' 2.5 million tons) and 11.6 million cubic meters of overburden were stripped (compared with the first 6 months' 8.2 million cubic meters). Contracting to increase productivity continued in 1987, so there were power shovels attaining over 900,000 cubic meters per year, rotary drills attaining over 32,000 meters per year, and percussion drills attaining over 6,000 meters per year. BelAZ trucks attained 220,000 tons per kilometer and HD trucks attained 950,000 tons per kilometer, substantially higher than 1986. Many work faces in underground mines attained 45,000 to 50,000 tons per year and excavation of preparatory shafts reached 300 meters per month.

In just the span of more than a month (November and December 1987), the Ha Tu and Coc 6 mines worked more than 1 million cubic meters of overburden to help the coal sector exceed norms in coal, overburden, and meters of preparatory shaft.

3. Business Accounting Is the Vital Requirement of Enterprises in Implementing Socialist Production Relationships

In 1986, the ministry contracted plan norms for 5 years to corporations and enterprises throughout the sector in coal, overburden, meters of preparatory shafts, and even in foreign currency.

This is the basis for enterprises studying business on property the state assigns them to manage. Enterprises that want business to be effective must have an adequate material base to ensure normal development. Management of enterprises must build on every potential, including labor productivity, the decisive factor. Moreover, it should reduce production expenditures, determine the level of material and fuel, energy, etc. At the same time, product quality must be good. Only then will the value of gross output be high. [passage omitted]

The Coal Sector's Mission for 1988

The objective of the coal sector in 1988 is 6.8 million tons of commercial coal (equal to 8.2 million tons of raw coal). This includes the portion managed by the Ministry of Energy, 6.3 million tons of commercial coal (equal to 7.6 million tons of raw coal) and 27.8 million cubic meters of stripped overburden.

Carrying out the Party Central Committee's Resolutions No 2, 3 and 4 in the spirit of the Sixth Party Congress Resolution, we must shift to socialist business accounting. The mechanism for accomplishment is for the state to assign us 30 to 40 percent of the coal output produced in the plan to sell according to the state's directed price (but this directed price must be enough to cover production expenses). The remaining amount of coal allowed to be sold according to the commercial business price (this price fully accounts for production expenses and includes state income and profits) is agreed upon by the enterprises and the customers (according to the price structure the managing ministry approves each quarter).

For production to be stable our sector must export coal. Only then will there be foreign currency to re-equip the material and technical base depleted during the course of mining. The mechanism for accomplishment is to pay the state 10 percent of the value of the foreign currency obtained with 90 percent left for the enterprises.

The receipt and dispersal of equipment and parts are assigned to corporations and enterprises that place orders through corporations of the Ministry of Foreign Trade or entrusted to COALIMEX.

The export, import and consumption of coal domestically is the production prerogative of production corporations while COALIMEX corporations and general corporations provide coal to carry out services and earn a percentage.

The income of workers and civil servants is figured according to a percentage of the product price; work a lot make a lot, work a little make a little. The income is not dependent on the labor staff but rather on the quality and amount of products.

Relying on the general wage fund, the ministry will, based on the geological condition of each place, calculate the percentage of wages in the different prices among the areas. The foregoing wage fund is divided up among each bloc in production. For example, in underground mines, 60 percent; surface mines, 30 percent; indirect, 10 percent. Thus, everyone in the enterprise can, based on the products produced, have wages. If the job in the shaft produces little, it impacts on the entire enterprise. Therefore, to have considerable wages everyone must be concerned with the most important job—the coal output produced. But if the quality of the coal is low, wages are still small. So, there must be concern for sorting. This is the basis for distributing according to labor rationally.

On the basis of the wage fund, each enterprise re-rationalizes production in order to have a higher wage fund. This is a revolution in organization and re-rationalizing production. Other jobs are figured according to the wage fund for services and are part of the cost structure of materials, machinery, fuel, etc.

From this business basis, each enterprise director must apply technical advances to have high profits. Science really does have a place in production at this time.

The coal sector demands that there be long-term planning because construction of a large mine takes 7 to 10 years and must guarantee corresponding investment capital in preparation for following years. In 1988, we must adjust the general blueprint for developing the coal sector to the year 2005, including being attentive to 1995 and reporting to the state for review in order to increase investment capital. Otherwise, coal output will decline after 1990. In investment, we should give priority to highly effective projects. Without the state balancing sufficient capital, the sector must borrow or cooperate with foreign countries and use coal for payment.

In summary, the coal sector is undergoing change in management in order to carry out the Sixth Party Congress Resolution.

Border Smuggling Incidents Increase
42090029 Hanoi NGUOI CONG GIAO VIETNAM in
Vietnamese 28 Aug 88 p 6

[Investigative report by Nguyen Thanh: "Smugglers at the Frontier"]

[Text] Three days ago, two amphibious armored vehicles of the 968th Division received a mission to enter Laos on an assignment. Passing through the Lao Bao exit point, the vehicles were granted favorable conditions for a rapid departure. Today, these two armored vehicles reappeared on their return to the country. Inspection Unit 2 of the Lao Bao customs element in Binh Tri Thien Province felt it necessary to investigate and the results were truly surprising. In one of these two combat vehicles was a load of contraband goods. The inspection record indicated that the contraband goods crossing the border consisted of 20 table fans, 325 pairs of Lao sandals, nearly 4,000 bars of Lux soap, 269 alligator-skin jackets, 289 pairs of trousers and many other goods such as monosodium glutamate, art objects, etc. The owners of these contraband goods were none other than the soldiers using the armored vehicles to engage in trade.

This was one of a series of occurrences of contraband goods being smuggled over the border. The unique nature of this incident showed that all kinds of methods and means can be used to trade in and transport contraband goods over the border, including the use of means ordinarily used for military objectives. It also raises the concern that the border smuggling is spreading over a broad area and to a serious degree, creating a complex situation in many aspects for society.

During only the first 6 months of this year, there were hundreds of occurrences of trading in prohibited and contraband goods and smuggling them across the border, a 15 percent increase over the same period last year, causing great losses in foreign currency and gold—things under exclusive state control, and creating a situation of "pursuing the color of gold" to adversely affect the national economy and social order and security.

In accordance with stipulations of the penal code, one of the crimes dangerous to national security is that of the smuggling or illegal transportation of commodities. The danger of this crime is expressed in its violation of the state's foreign trade monopoly, violation of the commodity export-import procedures and policies, disruption of the market, and violation of the state's control at the border, especially political security control.

To illegally transport goods across the border, criminals commonly use all kinds of conveyances and different routes to avoid the inspection and control of customs such as: not passing through the exit points stipulated by the state, failing to declare or falsely reporting the amount of goods, importing goods without a license, and using false papers or papers acquired through illegal means. In a thorough review of these routes, we see how varied and serious is the seepage of goods across the border.

It may be said that border smuggling by land has the most offenders and is the most prevalent. By car, combat vehicle or cutting through the forest on foot across the border, the land route is safer because the border's great length and complex terrain makes control of smugglers extremely difficult. Those engaged in smuggling are of many kinds and regional origins. A few may be examined in the records of the Van Lang District public security forces in Lang Son. At 1600 on 15 May 1988, three youths from Ha Bac went up to Lang Son City and then followed the road to Van Lang. Bringing with them a number of West German crossbred dogs, they cut through the forest across the border into China to trade for consumer goods such as peacock printed cloth, flashlight batteries, thermos bottles, cigarette lighters, etc. During the first part of April this year, Lam Thi Men, from Ta Pec Hamlet in Hung Viet Village, crossed the border. This dangerous action by Men was aimed at only one insignificant objective: crossing into China to trade chickens for kerosene and rice.

Statistics compiled by the Van Lang public security forces show that in only eight villages of the district, during March and April of this year, 2,342 families had someone cross the border to trade goods, accounting for more than two-thirds of all the families in those villages. The participants in border smuggling are extremely varied, from those with simple backgrounds such as Lam Thi Men to those with an extremely high sense of border security such as party members, public security personnel and soldiers. In the more than 2,000 cases of border smuggling here, up to 5.2 percent were party members

and 60 percent were youth union members. Degenerate public security personnel and soldiers also participated in this crowded army. The goods carried across the border here were usually essential oils, cinnamon, rare bird species such as nightingales, blackbirds, Brahma, etc. Crossbred and hunting dogs are also popular. The damage from this trading across the border is not small. To the local area, many individuals have abandoned production to engage in trade and hunt for goods, driving up the market prices of goods that are carried off and disrupting many aspects of economic and social life. Thefts and murders to seize goods and compete have also dangerously increased. All of these incidents occurred in the surreptitious crossing of the border by land.

In Hanoi, from 1984 to 1986, a typical case of border smuggling was tried by the court. This case had many individuals involved, complex details and great economic and commodity value. It may be summarized as follows:

Beginning in 1981 and 1982, Tran Van Tuyen and his wife Dang Thi Thuan, along with Ha Van Vinh and his wife Nguyen Thai Phuong, became involved with a number of Vietnamese residents of Laos such as Nguyen, Dao, Huong, Lun, etc. They often received goods and U.S. dollars sent illegally by these Vietnamese residents, sold them and bought gold to send back to Laos.

In November 1982, two Vietnamese residents of Laos, Le Van Hoa and Tran Thi Kinh, requested permission to return home. The Nguyen, Huong, etc. group hired Hoa to deliver goods and U.S. dollars to the two couples. They repaid Hoa by buying him, his wife and two children four round-trip airplane tickets.

Vinh and Tuyen received four packages of goods and \$4,000 from Hoa and his wife made another delivery. In all, Hoa and his wife delivered \$14,600 to Tuyen and Vinh.

On 15 January 1983, the two Vietnamese residents of Laos returned again to deliver \$5,000 to Tuyen and his wife Thuan. Thus, Tuyen, Vinh and Thuan received more than \$19,000 and thousands of Vietnamese dong from the Huong group in Laos.

Previously, on 15 December 1981, another Vietnamese resident of Laos returned to deliver Vinh \$8,300 sent by Huong with a request to purchase gold. Vinh and his wife Phuong received up to \$14,900, purchased 27 tael of gold for Huong and sent the gold to Laos in several homemade baskets with double bottoms.

When the case was discovered, the investigative agency confiscated 166.635 tael of gold of various kinds concealed in many places at the home of Tuyen and Thuan that the couple had purchased with U.S. dollars and Vietnamese money. Of special interest, also confiscated

was a double-bottomed basket containing 3.6 kilograms of gold. At the home of Vinh and Phuong, the investigative agency confiscated 2.683 tael of gold and a number of precious jewels.

Thus, the criminal actions of Tran Van Tuyen, Ha Van Vinh, Dang Thi Thuan, Nguyen Thai Phuong and Le Van Hoa were extremely serious. They traded in, transported and concealed hundreds of tael of gold, tens of thousands of dollars and hundreds of thousands of Vietnamese dong. This was also only one of the dozens of serious cases charged with smuggling and illegally transporting goods across the border by land. Some apprehensions have been made by neighboring country customs, including the capture of an entire aircraft full of contraband goods.

Smuggling by air, often on a large scale, has been firmly organized with ingenious stratagems. Cases have occurred in which air crews have participated in the smuggling and transportation of illegal goods. With special means, the extent and activity of smuggling by air has expanded with a search for many different kinds of goods yielding great profits. Also because of this, the "color of gold pursuit" is more dangerous.

Recently, on 23 July 1988, the Hanoi City People's Court tried a case of sea smuggling by the crew of the ship Ba Dinh from the Hanoi Coastal Shipping Corporation. This was also one of a series of cases of smuggling across the border by sea on a large and organized scale.

The smuggling of the vessel Ba Dinh was also one of many continuously occurring in the Hanoi Coastal Shipping Corporation although this company has been only operating for a number of years.

The case had 29 defendants and 80 other implicated individuals—one of fairly crowded participation.

On a voyage to pick up cargo in Japan (June 1986), 22 sailors from the ship, organized by the vessel's chief cook, Dang Van Roi, and with the consent of the ship's captain, Han Dung, illegally carried \$22,000, 23,000 yen and a quantity of gold to Japan to purchase 694 television sets, 523 sewing machines, 30 video cassette recorders, 4 camcorders and many other goods. When returning to territorial waters, Captain Han Dung deviated from the stipulated course and a military vessel was hired to haul the goods from an island into the mainland for delivery to distributors.

During July 1988 on a voyage to Singapore, 20 sailors from the ship illegally carried \$30,000, 9.7 tael of gold and a number of other items. When returning, they bought video and audio cassette recorders and many other valuable goods.

This was a large-scale smuggling organization. The defendants used their assigned missions, post and equipment to illegally smuggle goods across the border, causing great losses in state-controlled foreign exchange and gold.

When the case was discovered, various agencies promptly confiscated 71.8 taels of gold, \$12,630, 7.6 million Vietnamese dong and many goods they had not had time to distribute.

Besides land, sea and air, many cases of smuggling through the international postal service have occurred. However, there is no clear and detailed separation between these various routes. In reality, many cases of smuggling and transporting illegal goods across the border have had to use many methods and means over many different routes.

At the end of 1987 and beginning of 1988, a "strange wave" occurred. It consisted of various kinds of valuable antique wooden furniture such as sideboards, pagoda cabinets, ebony carved beds, Chinese sofas, etc. being transported from the northern to the southern part of the country. There were signs of goods procurement on a large scale. Only when an inspection was made was it revealed that the south was not indulging in an antique furniture "fashion" as interpreted by many but that these goods were on their way "across the border." Saigon had become a transportation center with operators possessing great capital engaged in the collection. The furniture was dismantled and transported by road into Cambodia. Afterwards, it was transported by river or sea to Thailand. After selling the goods, the owners received dollars or gold or purchased Thai goods and returned by land or air. Thus, these cases were highly organized, coordinating many means of transportation and stratagems from backpacking to the most modern means. This kind of smuggling across the border is also illegal trading in antiquities, causing a great loss in objects of cultural and historic value to the people.

Although the state has many methods of preventing and severely punishing those smuggling and illegally transporting goods across the border, these crimes are increasing. They have disrupted market circulation, driven up prices, and caused losses in foreign exchange, gold and goods of high value. The market situation has become disorganized in goods diversity and prices with a danger of suffocating "native" goods. The foreign economic, gold management and foreign exchange control of the state has been violated. Political security and social order is threatened. Precisely because of that, smuggling across the border cannot be permitted to develop. This is an urgent requirement, demanding that all responsible agencies and every citizen determinedly struggle against this social ill, the smuggling and illegal transportation of goods across the border. It is a requirement of the economy, of social security and order, and of the discipline of the system.

SOCIAL

Report on Military Psychiatric Center Published 42090024B Hanoi NGUOI CONG GIAO VIET NAM in Vietnamese 24 Jul 88 pp 1, 3

[Ministry of Labor, War Invalids and Social Welfare Report on the Tan Ky-Nghe Tinh Psychiatric Center]

[Text] Editor's Note: Before our correspondent went to investigate the Tan Ky-Nghe Tinh Psychiatric Center, an investigative team of the Ministry of Labor, War Invalids and Social Welfare went there to carry out a 10-day investigation. However, after a number of newspaper articles (investigative reports, letters, and petitions of complaint) were published the Ministry of Labor, War Invalids and Social Welfare, and the Nghe Tinh Labor, War Invalids and Social Welfare Service still did not contribute opinions to the newspaper. To contribute to illuminating that matter, we sent a correspondent to the Ministry of Labor, War Invalids and Social Welfare to continue the investigation. After that we received an "Investigative Report" from that Ministry. We are very grateful and have printed significant excerpts from that "Investigative Report" so that the relevant organs may have additional research materials, in order to do a good job of resolving the situation at Tan Ky.

Investigative Team of the Ministry of Labor, War Invalids and Social Welfare: Investigative Report

Carrying out the directive of the Ministry of Labor, War Invalids and Social Welfare, a Ministry investigative team headed by Lt. Col. Dinh, head of the War Invalids-War Dead Department and including comrade Ngo Thi Thai (Deputy Director) and comrade Luc, head of the Inspection Department, went to carry out an investigation of the center and to restore the function of wounded and ill soldiers and social victims of mental disorders at the Tan Ky-Nghe Tinh center, following complaints sent by wounded and ill soldiers to Nguyen Van Linh, General Secretary of the Party Central Committee. The team worked from 7 to 17 December 1987.

The results were evaluated as follows:

The problems the team brought out there were essentially phenomena. Conclusions regarding the good points and deficiencies did not differ substantially from the three previous investigations by the Service, but they differed with regard to evaluation and analysis and to methods for overcoming the errors.

The good points:

1. In recent years, especially 1984-1985, although many difficulties were encountered by cadres, workers, and civil servants with regard to living conditions, all-out efforts have been made to get all tasks onto the right track. Much progress has been made and there have been

definite accomplishments, for which the Service and the provincial people's committee have granted letters of appreciation and commendations.

2. More than 67 wounded and ill soldiers have been restored to relatively stable health and have returned to their families. That was a specific accomplishment.

3. All cadres, workers, and civil servants have endured all difficulties and hardships, especially the orderlies and nurses, who every day have had to clean up the feces of their patients. The doctors and unit commanders have been in constant contact with mental patients. Many of them have been severely cursed by the mental patients had many have also been injured in attacks by patients. It must be said that some party members have given their all to the patients and have won their love and respect (the comrade in charge of the administrative medical office did a good job of handling fatalities while the director was absent).

4. The rear services, convalescence, and supply regulations and standards supported the messing, medicine, and other regulations for wounded and ill soldiers.

The deficiencies:

1. In general, since 1986 all activities of the unit have declined more and more seriously. Many regulations, such as those regarding functions and work, have not been observed or have been observed in name only. The duty system, publications, sports and physical education, and culture and art are still weak but have not been positively rectified.

2. Work discipline and labor discipline have been violated. Orders have had no effect (no one has heeded them). There is practically no discipline there. The working hours are too irregular.

3. Violations of discipline and laws are widespread but have not been promptly and strictly reviewed. Especially, incidents of beating patients have not been reported and dealt with, or they have been reported but no appropriate forms of discipline have been applied. Therefore, many deficiencies which have existed for 2 or 3 years continue to exist and have become increasingly serious. The perpetrators have covered up for one another. Most of the workers and civil servants have committed offenses of varying severity, such as beating and maltreating wounded and ill soldiers and using them to work for them personally. Especially, many directives and orders from the upper echelon have not been carried out by the director or deputy director. The recommendations resulting from the Service's investigations have not been carried out.

4. The viewpoint of serving the convalescence of wounded and ill soldiers—the foremost mission—has not been correctly observed. That has resulted in many serious violations:

—Most of the wounded and ill soldiers have been cursed, which has affected their self-respect (some of them are advanced in years).

—The wounded and ill soldiers have been taken advantage of excessively. Most of them have to do such heavy work as cutting down trees, cutting down bamboo, and cutting thatch so that the employees can make pig pens and cattle pens, etc. At times the wounded and ill soldiers have had to work through the noon break, as if they were prisoners sentenced to heavy labor. A large number have been physically abused and have been beaten cruelly and barbarously. A number of staff members have beaten wounded and ill soldiers over a period of 3 years. Making threats and slapping people several times have been commonplace. Cu Thi Lan, an orderly, beat Tong Xuan Phu, an ill soldier, by chaining him to a window and striking him with a stick. She did not let him have lunch that day and he was not unchained and taken to a clinic until 24 hours later. According to the medical report, Phu had abrasions on all four limbs and had bruises on his body. The beating resulted from anger and from barbarous retaliation.

On 12 October 1987 Nguyen Viet Dinh struck Nguyen Huu Vinh, an ill soldier, and broke Vinh's wrist. Vinh had to be taken to a hospital in Hanoi. Those actions show that the violators disregarded the law and did not carry out the orders of the upper echelon. In Unit 1, 12 or 13 patients were locked up in a room.

Two patients (male and female) were chained together and five or six people had no clothing even though it was very cold. They lay huddled together on a bare cement platform, without a heater to warm them, although there were clothing, blankets, and mats in the storeroom. They were not distributed to the wounded and ill soldiers because the staff didn't want to launder them. That proves that the staff there lacks compassion toward the wounded and ill soldiers.

In sum, the cadres, workers, and civil servants there treat the wounded and ill soldiers as if they were criminals, no more and no less. In a letter of denunciation sent to the General Secretary of the Party Central Committee, the wounded and ill soldiers declared that "The place is a miserable place, a place where people's bodies and self-respect are violated and trampled upon, where people are cruelly beaten. It is a place in which the wounded and ill soldiers are taken to their final resting places in the fastest possible manner." In view of that situation in Unit 1, that denunciation was no exaggeration. The above situation must be brought to justice. The degree of punishment also depends on the repentance and strict criticism of the violators. First of all, the two leadership cadres of the sanitarium must accept responsibility to the party and state for cadres, workers, and civil servants under their supervision who commit violations.

5. The violence ward project: Because an investigative report had already been made by the War Invalids and Social Welfare Service, the team did not investigate in depth, but only expressed some opinions.

The delay in constructing the violence ward area caused much waste and the ruining of six tons of cement.

The project was prolonged, in part, for objective reasons. When there were funds there were no materials, and when there were materials there were no funds, or else the materials were incomplete, at times there were price fluctuations, etc. But, subjectively, the comrades were not urgent and did not make maximum efforts with regard to the Ministry and the province, and did not fully report on its harm and consequences, so the more the project was delayed the more harm was done. The comrades knew that the construction of the violence ward was not on schedule, which considerably affected the keeping of violent patients and the morale of the workers and civil servants (because of the waiting).

Regarding leadership:

The board of directors and the party chapter committee also had many weak points, such as not keeping well informed, so in some cases evaluations of individual contributions were sometimes inaccurate, so some people who were sycophants and who were always behind in their work were named "advanced workers," while people who were positive workers and fulfilled all duties were called deficient because they struggled straightforwardly, etc.

In fact, there is excessive democracy there. No one is afraid of anyone and no one obeys the resolutions (even those of the party chapter) and orders. Furthermore, many things are not done openly, which gives rise to many questions:

- Over a period of nearly a year the mess hall did not operate openly or post the standards and regulations.
- The patients were sent to gather firewood, but how was it distributed? Who benefitted from it?
- What happened to the money in the trade union fund and the living conditions fund?
- What was received under the 27-7 program? How much sugar, milk, and tobacco were received? How much remained?

Recommendations

1. Everyone, from the leadership cadres down to the orderlies, must clearly acknowledge those who have achieved merit toward the nation, and that whether their contributions were great or small, their losses were priceless.

2. With regard to treatment, the method of combining treatment with convalescence must be restored.

3. With regard to messing and sustenance, the rice must be hot and there must be sufficient drinking water. The regulations and standards regarding the nutrition of wounded and ill soldiers and the other categories must always be observed.

4. It is necessary to strictly observe the existing functions and standards of each person, observe the work regulations and the daily duty regulations, keep explicit records, and always have someone in charge.

5. Organization, from the director down to the departments, teams, and units, must be rectified.

Tan Ky, 16 December 1987

Hoang Ngan (Deputy Director of the Investigation Office of the Ministry of Labor, War Invalids and Social Welfare)
Tran Van Kha (Director of the Nghe Tinh Military Psychiatric Center)

Party Report on War Invalid Care Published
42090024A Hanoi NGUOI CONG CIAO VIET NAM in Vietnamese 24 Jul 88 p 1

[Excerpt from Political Report of the Sixth Party Congress (1986): "Meticulously Care for War Invalids"]

[Text] Our nation recently experienced a long war and must now continue to fulfill the mission of defending the homeland and its international obligations. The number of disabled soldiers and veterans, and families of war dead, is very large and the number of retirees is steadily growing.

We must gradually draft a socialist assistance policy toward all the people in accordance with the motto "The state and the people work together" and expand and develop the professional projects and social assistance for people who have merit toward the revolution and people who are encountering difficulties. We must study the supplementation of social assistance policies and regulations so that they can be appropriate to the process of renovating the economic and social management mechanisms.

The regulations regarding retirement must be correctly implemented. We must do a better job of serving retirees socially, medically, culturally, and informationally. Cadres who have been active in the revolution for many years, veterans, and disabled soldiers must be brought into political, cultural, and social activities by many appropriate forms that are appropriate to everyone's health and experience, especially participation in educating and cultivating the young generation.

There must be plans and practical measures for attracting people who are still able to work to participate in production and service activities, organize vocational training and reserve the appropriate trades for disabled soldiers, and give priority in providing jobs and recruiting workers and students, and in arranging study for disabled soldiers, the children of war dead, and military personnel who have fulfilled their military obligations.

We must organize convalescence and meticulous care for wounded and seriously ill troops, the relatives of war dead, people who have merit toward the revolution, and old people with no means of support. We must care for orphan children, disabled people, and people without means of support.

Overseas Vietnamese Couple Supports Children's Fund

42090036b Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 21 Sep 88 p 1

[Article by T. Q.: "Two Overseas Vietnamese First to Contribute 1 Million Dong to 'Support the Children Fund'"]

[Text] On a recent visit to their homeland, Phan Ngoc Lan and his wife Do Thi Chuong Dai—Vietnamese residents of Belgium—contributed 1 million dong to the "Support the Children Fund." The couple stated that at their wedding in October 1987, they suggested that their friends deposit money in a bank account in lieu of gifts so they could later take it home to help the children. On the first page of the "Support the Children Fund" honor roll, Lan and Dai wrote, "We wish to contribute this not too large sum of 1 million Vietnamese dong to the 'Support the Children Fund,' a place we believe will help the children in the future to step forward on the road of life, assisting to build an increasingly more beautiful fatherland."

Ho Chi Minh City Aids Hungry Farmers
42090036c Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 22 Sep 88 p 1

[Article by K. B.: "Aiding 1,000 Underfed Farm Families in Duyen Hai With 10 Million Dong and 20 Tons of Rice"]

[Text] The two villages of Binh Khanh and An Thoi Dong in Duyen Hai District are an area of excess soil salinity, are able to raise only one rice crop a year, have suffered crop failures during the past 2 years, and presently have up to 1,000 underfed farm families requiring assistance. The city has provided 10 million dong and 20 tons of rice to aid these underfed families. This is the third time this year that the city and Duyen Hai District have provided grain to underfed farm families in the two villages above.

Overseas Vietnamese May Buy Homes
42090036d Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 23 Sep 88 p 1

[Article by Tr. B.: "Overseas Vietnamese May Purchase Homes for Relatives or Themselves Even if Not Fully Returned"]

[Text] The Buildings and Land Service has initiated a policy of selling houses to overseas Vietnamese visiting the country who are requesting to buy homes for their relatives or themselves.

Overseas Vietnamese with intentions of returning home in the future may also purchase houses beforehand but must temporarily grant authority for ownership of the house they have purchased to be temporarily placed in the name of someone they trust. When they return to the country to establish permanent residence in the city, the Buildings and Land Service will initiate procedures to transfer ownership of the house.

Additional information on the procedures and details may be attained by contacting the Office of the Buildings and Land Service at 173 Hai Ba Trung Street in the 1st Precinct.

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